Calendar No. 1842

84TH CONGRESS, 2d Session | SENATE | REPORT No. 1818

AUTHORIZING RENEWALS OF A LEASE OF THE ANNETTE ISLAND AIRPORT TO THE UNITED STATES

APRIL 24, 1956.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 6573]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 6573) to authorize renewals of a lease of the Annette Island Airport to the United States, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The committee held a hearing on the measure, at which spokesmen for the Department of the Interior appeared and urged enactment. The committee also obtained supplemental information from the Department of Commerce, of which the Civil Aeronautics Administration is a part. The Department of the Interior has general administrative responsibility for Alaska, including the Indians of the Territory.

Committee action was unanimous.

EXPLANATION OF MEASURE

H. R. 6573 would give the approval of the Congress to an extension of the existing lease on certain Alaskan Indian lands on which the Annette Island Airport has been built.

Annette, a small island a few miles south of Ketchikan and 600 miles north of Seattle, is the site of an important airport which serves the city of Ketchikan and the Metlakahtla Indian community, and is used by Coast Guard airplanes and for emergencies by aircraft bound to or from other sections of Alaska. The airport was constructed by the Federal Government during World War II at a cost in excess of $10 million and for several years served a very useful purpose in the prosecution of the war.

In December 1948, the airport was leased to the United States by the Council of the Annette Island Indian Reserve, the governing body of the Metlakahtla Indian community, for a 1-year term beginning July

1, 1949. This lease contains a clause giving the Government an option to renew the agreement from year to year but with a proviso that no renewal shall extend the period of occupancy of the premises beyond June 30, 1959, unless such extension is approved by Congress, and in no case beyond June 30, 1999. This bill will give Federal authorization for renewing the lease from year to year for the remainder of the original 50-year term.

The Annette Island Airport is now operated by the Civil Aeronautics Administration under the International Aviation Facilities Act (Public Law 657, 80th Cong.).

The committee is convinced that favorable action on this bill is desirable because of the present and potential future uses of the airport, and because of the extent of the Government's investment in Annette. Also commercial interests, a petroleum products concessionaire in particular, are reluctant to pursue plans for necessary capital expenditures at the airport due to the limited time remaining under the present lease. Enactment is favored by the governing body of the Indian community.

In the hearing, the question was raised as to why the Government did not acquire ownership of the land, comprising some 4,880 acres. Attention is directed to the supplemental report of the Department of Commerce and the report of the Department of the Interior in which it is pointed out that it is the opinion of the Department of Justice that the lands may not be condemned because of Indian ownership. Rental is $1 an acre.

EXECUTIVE AGENCY REPORTS

The reports of the Department of Commerce and of Interior are set forth in full.

THE SECRETARY OF COMMERCE,
Washington 25.

Hon. HENRY M. JACKSON,
Chairman, Subcommittee on Territories,
Senate Committee on Interior and Insular Affairs,
United States Senate, Washington 25, D. C.

DEAR SENATOR JACKSON: By letter dated July 12, 1955, you requested additional information with respect to H. R. 6573, the bill to authorize renewals of a lease of the Annette Island Airport to the United States, passed by the House and now being considered by your subcommittee. You inquired as to why the Federal Government does not purchase the land for the airport outright, as is done for airports in the States; what is the estimated fair value of the land; and what are present arrangements for compensating the Indians.

REASONS FOR FAILURE TO PURCHASE

The Indian community has never appeared willing to agree to sell their interest in the land upon which the airport is located on any sort of reasonable terms. Shortly before the present lease was executed, the Department of Commerce was advised by the Lands Division of the Department of Justice and by the Solicitor (for the Office of Indian Affairs) of the Department of Interior that the law

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did not permit us to condemn their lands. Since we could neither arrange a voluntary sale nor condemn the land, the lease was the only method available under existing law by which possession of the airport could be retained.

FAIR VALUE OF THE LAND

Several factors entered into fixing the consideration under the lease. Actually the land itself would be worth, unimproved, in the absence of other considerations, a maximum of $2.50 an acre on a straight sale. However, in fixing a fair rental for the land we were guided by the opinion of the Department of the Interior which has the responsibility of providing advice to the executive branch on relations of the Government with Indian communities. A copy of the letter dated October 25, 1948, which we received from the Department of the Interior, suggesting a rental of $1 per acre and setting forth the basis for this figure, is enclosed. As your committee is well aware, transactions with Indians, who are still, for many purposes, considered wards of the Government, are not conducted on a strictly arms-length basis. A lower consideration on a lease of this type might have meant increased appropriations for direct assistance to the community. In addition, the Air Force had spent a large amount of money to build the airport. The value of the land, improved, we estimate conservatively at $10 million, very little of which could be recovered in salvage if we were required to abandon the airport.

ARRANGEMENTS FOR COMPENSATING THE INDIANS

The rental of $1 per acre for the 4,880 acres which comprise the airport is paid annually at the end of each fiscal year by the Department of Commerce to the Council of the Annette Islands Reserve. In addition, the Indian community has, under the lease, the exclusive right to operate all concessions at the airport, except that as to gasoline and petroleum products the concession may be let by the Government to another party if the Indian community is given the right of first refusal after competitive bids. The Government has also agreed to give employment preference to members of the community for such jobs as they may be qualified to perform. A copy of the lease containing these terms is enclosed.

We hope that this information will be of assistance to your subcommittee in its consideration of this bill. If we can be of any further assistance please do not hesitate to call upon us.

Sincerely yours,

——— ———, *Secretary of Commerce.*

DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Washington 25, D. C., October 25, 1948.

Mr. JAMES DIKEMAN,
Civil Aeronautics Authority,
Department of Commerce, Washington 25, D. C.

DEAR MR. DIKEMAN: The purpose of this letter is to suggest the considerations that should govern the annual rental value of the lands included in the lease for the airport on Annette Island.

The value of these lands cannot be measured by the usual factors that guide an appraiser in determining land values in the continental United States. These are not grazing lands and they are totally unsuited for commercial agriculture. They have a different and perhaps higher value, in terms of the native dependency and economy.

Before the construction of the airbase and the crisscrossing of the general area with roads, the introduction of airplanes and people, these lands constituted an undisturbed, and nearly ideal wildlife habitat which furnished the natives a large portion of their cash income. About 10 percent of the average income of the natives of southeast Alaska is derived from trapping.

The area in question was extensively trapped by the natives of Metlakatla for land otter, mink, and marten. It is said by them to have been their best deer hunting grounds because of the more open character of the terrain.

The game and fur animals have now largely disappeared. The airport activity has also adversely affected trapping and hunting over the entire island. This contention is borne out by the economic survey just completed for seven native villages in southeast Alaska, including Metlakatla.

This survey covers the year which ended August 1, 1948. It includes a study of the primary dependency elements of each family—their sources of income and their expenditures.

The family income from trapping ranged by villages from the high at Hydaburg of $387.50 to the low at Metlakatla of only $46. The average income from this source for the seven villages studied was $167.

The Metlakatla delegates claim that, in the years before the airport was constructed, their trapping income was as great as that of any of the other villages. Certainly, there is no reason to believe that it was any less than the average for all southeastern villages. We unfortunately do not have precise information on trapping income for any period which preceded the construction of the airport but it probably would not have been less than the southeastern Alaska average for 1948.

On the basis of the above average the total Metlakatla income from trapping would have been $20,541. The delegates estimate that fully 20 percent of their trapping was done in the flat area of the island. If we credit the airport area with only 10 percent, the annual trapping value would be $2,054.

The ordinances of Metlakatla permit the head of each family to kill two deer during season, for the family meat supply. The delegates point out that they were always able to kill two deer before the general disturbance of the habitat by construction operations, roads, people, and airplanes but now average only 1.5 deer per family. The deer average 75 pounds of dressed meat. If you accept a conservative

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value of $0.60 per pound of meat and credit each of 123 families with 2 deer or 150 pounds of meat, the village income from this source was worth $11,072. The delegates insist that over one-half of all deer killed came from the relatively open and level part of the island. But if we assume only 25 percent, the loss of this meat supply would represent a value of $2,763.

Thus land-use income, now largely lost to them, when used as a basis for determining land rentals equals $4,817. Thus, $1 per acre per annum asked by the Metlakatla community appears to be a fair rental.

Sincerely yours,

E. R. FRYER,
Director of Resources.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., January 19, 1956.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington 25, D. C.

MY DEAR SENATOR MURRAY: This will reply to the letter dated July 12, 1955, from Senator Jackson, chairman, Subcommittee on Territories, enclosing a copy of a letter of the same date to the Secretary of Commerce with respect to H. R. 6573, a bill to authorize renewals of a lease of Annette Island Airport to the United States.

We have no objection to the enactment of legislation authorizing the acquisition by the United States of the interest of the Metlakahtla Indian community in the land now leased for the airport site at its present fair market value, provided the Metlakahtla community consents and is given the right to meet the high bid for the operation of the concessions at the airport. We have been advised, however, that the community does not desire to sell the land. This advice results from contacts with 5 of the 7 council members, all of whom were opposed to the sale.

We have not had the airport lands appraised, and therefore cannot give an accurate value of the land. The community believes that the airport site is worth $3 million.

The present lease provides for the payment of $1 per acre, per annum, and the lease covers approximately 4,880 acres. The lease retains in the lessor an exclusive right to all concessions necessary or desirable for the convenience of the public, and the successful bidder for the sale of gasoline and petroleum products is required to offer to the community or its designee the first refusal of the distributorship of such products under specified conditions. The gasoline and petroleum products concession is the only one from which the community derives any profit, and this nets them approximately $1,000 per year. However, this income is not a part of the rental for the land.

The Bureau of the Budget has advised us that there is no objection to the submission of this report.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

OFFICE MEMORANDUM

CIVIL AERONAUTICS ADMINISTRATION,
Anchorage, Alaska, April 6, 1955.

To: Director, Office of Federal Airways, W–300.
From: Regional Administrator, Fifth Region.
Subject: Annette Island Lease Extension Beyond June 30, 1959.

In reply to your letter dated February 8, 1955, this is to advise that we recommend efforts be continued to obtain legislation to extend the existing Annette Island lease beyond June 30, 1959. The justification for this request is as follows:

(1) As your letter indicates, the scheduled activity at Annette has increased since the present lease was negotiated. The increased scheduled activity has resulted from the great expansion and growth in the Ketchikan area for which Annette is the only available airport for wheeled aircraft. During the last few years, there has been a $50 million private pulp mill installation in Ketchikan, and there are indications that this is just the beginning of a major industrial development affecting all of southeast Alaska in which Annette occupies a key spot. The airport at Annette is essential for the continued economic growth of the area.

(2) While the Air Force does not at the present time place the emphasis on Annette to the extent that it originally did, the Coast Guard activities at that location have greatly increased since 1948. That organization is developing long-range plans for major installations at Annette, and the approaching expiration of our lease in 1959 is not conducive to firm commitments by the Coast Guard.

(3) Although the nonscheduled activity has been greatly reduced at Annette as a result of the increased service being performed by the scheduled carriers serving Anchorage which overfly Annette with the type of equipment now in use, the importance of the field as the only adequate landing area between Seattle and Gustavus, a distance of approximately 1,000 miles, has not been diminished in any sense. We know have an ILS installation at that location which, of course, increases its key role as a vital part of the airway.

(4) Since 1948, the establishment of new facilities at Annette consisting of quarters, ILS, runway paving, etc., has amounted to approximately $1,450,000. We would not under normal circumstances have expended such a considerable amount with a short-term lease such as we have at Annette with no option to buy. The nature of our present lease restrictions gave us no alternative. The extent of the Government's investment at Annette, which includes the Weather Bureau and the Coast Guard in addition to the CAA, warrants a lease of more than 10 years.

(5) The petroleum products concessionnaire is in a position where it must make capital expenditures of a considerable amount at Annette to rehabilitate its fuel dispensing system. It is naturally reluctant to go ahead with its plans because of the few years remaining on the existing lease.

(6) The files available in the Washington office will thoroughly document the proceedings which were preliminary to the signing of the lease under which we are now occupying Annette. There is nothing

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in these files which will indicate that the Metlakatlans will be any more reasonable in considering a renewal of the lease than they were in the original negotiations. Everything possible should be done to provide the legal means for a lease of more than 10 years' duration to avoid the constant threat of unreasonable demands, the extremely high costs, and high-level administrative time required for repeated negotiations for continued occupancy.

If additional information is required please advise and we will submit it without delay.

HENRY L. NEWMAN.
For ALLEN D. HULEN, AN-1.

CIVIL AERONAUTICS ADMINISTRATION,
March 23, 1956.

To: Director, Office of Federal Airways W-300.
From: Regional Administrator, Region Five.
Subject: Annette Island Lease Extension Beyond June 30, 1959.

Reference is made to our memo of April 6, 1955, same subject, and to your memo to W-60, dated April 18, 1955, a copy of which was furnished this office. The proposed legislation for extension of the lease passed the House on July 5, 1955, and was referred to the Senate Interior and Insular Affairs Committee on July 6, 1955. We have not learned of any action on the legislation during the current session of Congress.

Since our April 6 memo, further developments have occurred with regard to items (1), (2), and (5), as follows:

(1) In addition to the increased activities resulting from the pulp mill near Ketchikan, we now have definite information that three additional pulp mills are planned as follows:

Wrangell.—Pacific North Timber Co. has executed a 50-year sale agreement requiring construction of a sawmill by the end of 1957 and a pulp plant of at least 80 tons per day capacity by 1962.

Sitka.—A preliminary award has been made on January 25, to Alaska Lumber & Pulp Co., Inc., covering a 50-year sale which requires construction of a pulp plant that will use at least 80 million board-feet a year by the end of 1961.

Juneau.—A preliminary award was made last August to Georgia Pacific Alaska Co. requiring construction of a pulp mill which will use at least 100 million board-feet a year and that mill must be in operation by July 1961.

It is anticipated, as a result of the above, that the population in southeast Alaska will increase by approximately 30 percent.

(2) The Coast Guard and CAA have received approval for the transfer of the CAA hangar at Annette to the Coast Guard, which transfer we expect will become effective April 1, 1956, or as soon thereafter as approval is received from the Commandant, Coast Guard, Washington, D. C., of the several agreements which have been concluded between the commandant of the Coast Guard, Alaska, and this office. One of the chief factors necessitating these agreements is the Coast Guard's plan for considerable expansion of its activities at Annette. The chief reason for transferring the hangar to the Coast Guard is that they will be the major user. This office will have a long-term occupancy agreement for approximately 5,000 square

feet of space. The Coast Guard also plans construction of a barracks, galley, messhall, bachelor officers quarters, and storage building in the immediate vicinity of the hangar. Permission has been granted by this office for the approximately 6-acre tract on which this construction will take place.

(5) We have had recent discussions with Standard Oil Co., who is the petroleum supplier for the Annette facilities and who has, in turn, contracted with the Metlakatla Indian community under a distributorship agreement. Both this office and the Standard Oil Co. are insisting that improved facilities and improved operations be immediately undertaken to provide for the type of facility the volume of use of the Annette landing field requires. It is extremely difficult to convince anyone that they should make further capital investments on such a short tenure of occupancy. Our insistence on improved facilities may possibly result in parties other than the Metlakatla Indian community having the petroleum distributorship, but it is not anticipated that we will be able to interest any other distributor with a lease term ending as early as 1959. Whether the distributor is to continue to be the Metlakatla Indian community or some other party, it is vitally important that immediate steps be taken to improve their operation.

It will be appreciated if you will do whatever is necessary to expedite the necessary legislation to provide for our continued long-term occupancy as contemplated in the basic lease. If any further information is desired from this office, please advise.

ALLEN D. HULEN, AN–1.

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Calendar No. 1844

84TH CONGRESS, 2d Session | SENATE | REPORT No. 1820

PROVIDING FOR THE REVIEW AND DETERMINATION OF CLAIMS FOR THE RETURN OF LANDS, IN THE TERRITORY OF HAWAII, CONVEYED TO THE GOVERNMENT DURING WORLD WAR II BY ORGANIZATIONS COMPOSED OF PERSONS OF JAPANESE ANCESTRY

APRIL 24, 1956.—Ordered to be printed

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H. R. 7186]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 7186) to provide for the review and determination of claims for the return of lands, in the Territory of Hawaii, conveyed to the Government during World War II by organizations composed of persons of Japanese ancestry, having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

The committee held a hearing on H. R. 7186, and the amendment adopted, which is the addition of a new subsection, subsection 6 (c), was recommended by the Department of the Interior.

Committee action was unanimous.

PURPOSE OF MEASURE

H. R. 7186 would authorize charitable organizations composed of persons of Japanese ancestry in Hawaii to file claims in the circuit court of the Territory for return of lands taken from them during World War II. The claims must be filed within a 2-year period.

Thus, the measure in effect constitutes a waiver of any applicable statutes of limitation and confers jurisdiction upon the Territorial courts of Hawaii, established by Federal statute, to review and determine the claims. Spokesmen for the Department of the Interior, which has general administrative responsibility for the Territory, and the elected Delegate from Hawaii testified before the committee that there are 3 claims totaling $191,000 of the type that would be authorized by H. R. 7186, pending adjudication.

None of the property is now held by the Federal Government, and the Federal Government would in no way be liable for payment of any claims that might be allowed under the bill. The matter is a local one.

An earlier bill proposed establishment of a commission for the purpose of determination of the claims here involved. Proponents of the legislation and committee members are in agreement that the established circuit courts of the Territory could adequately and appropriately accomplish the claim determination without the necessity of creating a new and distinct hearing body.

ANALYSIS OF PROVISIONS

H. R. 7186 in section 1 provides that, notwithstanding existing law pertaining to statutory limitations, organizations of the type mentioned above may file claims for return of their property providing said claims are made within 2 years after date of the approval of this act by petitioning the Circuit Court of Hawaii in which the property was situated at the time of the original conveyance to the Territory.

Section 2 provides that within 60 days following the approval of this act there shall be published periodically over a 3-week period in a newspaper having Territorial circulation in a notification of the general purposes of this act and the manner in which claims may be filed.

Section 3 stated that the rules of the Circuit Court of the Territory of Hawaii including payment of court costs shall apply to the proceedings authorized by this act. It also stipulates that the courts shall expedite action on claims filed pursuant to this act with the understanding that the Territorial attorney general may intervene in the proceedings when necessary.

Section 4 established the procedures that shall be followed by all claimants.

Section 5 provides that the circuit court shall sit as a court of equity without a jury to hear and determine claims as set forth under the provisions of section 4.

Section 6 outlines the general principles of equity to be used in the disposition and determination of claims. The committee amended this section to provide that valuation of the property should be as of the time of the taking, at the option of the Territory. This is in accordance with the standard practice of the Government.

Section 7 provides for the authorization of funds by the Territory of Hawaii to carry out the provisions of this act.

Section 8 guarantees the Territory of Hawaii the right to exercise the power of eminent domain.

REPORTS OF EXECUTIVE AGENCIES

The Department of the Interior report on H. R. 4920 to the House committee, and the report of the Department of Justice to the Senate committee are set forth, in full, below.

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DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY.
Washington, D. C., May 20, 1955.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: This is in reply to your request for the views of this Department on H. R. 4920, a bill to provide for the review and determination of claims for the return of lands, in the Territory of Hawaii, conveyed to the Government during World War II by organizations composed of persons of Japanese ancestry.

This Department has no objection to the enactment of H. R. 4920.

The need for H. R. 4920 arises from the fact that during World War II a number of organizations in Hawaii, composed of persons of Japanese ancestry, conveyed to the Territory of Hawaii, or political subdivisions thereof, land which they held for eleemosynary purposes. The bill, if enacted, would afford such organizations the opportunity to file claims to their former lands and would permit the reconveyance to them of such lands under certain circumstances.

To accomplish this purpose, the bill provides for the Governor of Hawaii to appoint, subject to confirmation by the Territorial senate, a commission consisting of three commissioners to be known as the Special Land Commission of 1955. The bill prescribes the qualifications that the members of the commission must meet and defines their powers and duties.

Each organization to obtain title to its former property would be required to file with the Commission a petition alleging, amongst other items specified in subsection (b) of section 5, that the land had been held for eleemosynary purposes prior to transfer to the Government and that it was conveyed to the Government without monetary consideration or upon merely nominal consideration. Subsection (d) of that section establishes principles to guide the Commission in its determination. With respect to the claims of those organizations whose property had been conveyed by the Government to other parties, the Commission could not enter any order of reconveyance which would impair the earlier conveyances to bona fide purchasers, but it could in such event order the Government to make payment of the amount of any consideration it received upon the sale of the property.

Please note that the sentence beginning at line 7, page 2, which reads: "The term of the Commission is limited to three years unless extended for an additional two years by action of the Legislature of the Territory of Hawaii" conflicts with the sentence beginning at line 12, page 3, which states that: "The Commission shall remain in existence until its work is completed, the completion of the work to be determined by the Governor by his acceptance of the report which the Commission shall prepare and submit to the Governor in order to show the same."

We suggest that one or the other of these two sentences be deleted. You may wish retaining the sentence beginning at line 7, page 2, in preference to the other, on the ground that the designation of a specific period of time the Commission will be in existence will give some assurance that such claims as are filed with the Commission will be handled expeditiously.

We should also like to call your attention to an error in the spelling of the word "Commission" appearing in line 20, page 2 of the bill.

We are informed that there is a particular urgency for your committee to have this report and that hearings on H. R. 4920 will commence May 18. In view thereof, this report is being submitted prior to clearance through the Bureau of the Budget and we are not in a position to advise you concerning its relation to the program of the President.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

DEPARTMENT OF JUSTICE,
Washington, D. C., February 10, 1956.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

DEAR SENATOR: This is in response to your request for the views of the Department of Justice concerning H. R. 7186, a bill to provide for the review and determination of claims for the return of lands, in the Territory of Hawaii, conveyed to the Government during World War II by organizations composed of persons of Japanese ancestry, which was passed by the House of Representatives on July 30, 1955, and subsequently referred to your committee for consideration.

The bill would authorize certain groups of persons of Japanese ancestry in the Territory of Hawaii to petition the courts of the Territory for the return of certain lands alleged to have been conveyed by them to the Territory of Hawaii or some subdivision thereof during World War II without adequate consideration.

The files of this Department contain little information concerning the basis for this legislation. From the report of the House Committee on Interior and Insular Affairs on this measure (H. Rept. No. 1168), however, it appears that during World War II a number of organizations in Hawaii composed of persons of Japanese ancestry conveyed to the Territory of Hawaii, or some subdivision thereof, certain property which they held for eleemosynary purposes. The report stated that there are 3 such claims aggregating $191,000. The bill would waive any applicable statutes of limitations and would authorize determination of the claim by the Circuit Court of Hawaii in the circuit in which the property is located. There is provision in the bill for reconveyance of the property or payment of compensation to the former owners in the event the property has since been conveyed to third parties by the Territory of Hawaii. The measure contains an authorization for appropriation of the necessary funds by the Territory of Hawaii to carry out the provisions of the act.

The measure does not seem to relate to any of the activities of this Department, and whether it should be enacted involves questions of policy concerning which the Department of Justice prefers not to make any recommendation.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely,

WILLIAM P. ROGERS,
Deputy Attorney General.

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Calendar No. 1846

84TH CONGRESS, 2d Session } SENATE { REPORT No. 1822

AMERICAN BATTLE MONUMENTS COMMISSION

APRIL 24, 1956.—Ordered to be printed

Mr. LONG, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany S. 3498]

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 3498) to extend the authority of the American Battle Monuments Commission to all areas in which the Armed Forces of the United States have conducted operations since April 6, 1917, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

HISTORY OF THE COMMISSION

The American Battle Monuments Commission was created by act of Congress approved March 4, 1923 (42 Stat. 1509; 36 U. S. C. 121). It derives its authority from this and subsequent acts and Executive orders (36 U. S. C., ch. 8; Executive Orders 6614 of February 26, 1934, 6690 of April 25, 1934, 9704 of March 14, 1946, and 10057 of May 14, 1949; and act approved June 26, 1946 (60 Stat. 317, 36 U. S. C. 121).

The principal functions of the Commission are (1) to administer and maintain World War I American national cemeteries and memorials in Europe; (2) to prepare plans and estimates for the erection of suitable memorials to mark and commemorate the services of the American Armed Forces, and to erect and maintain memorials in the United States where the American armed forces have served (World War II) or shall hereafter serve as the Commission shall determine; and (3) to erect and maintain works of architecture and art in such American cemeteries located outside the United States, its Territories and possessions, as the Secretary of the Army shall declare to be permanent cemeteries, and to administer and maintain such cemeteries after they have been transferred to the Commission.

The Commission consists of 11 members who are appointed by the President, who also appoints 1 officer of the Regular Army to serve as the Commission's secretary. The present members of the Commis-

sion are: George C. Marshall, Chairman, Thomas C. Kindaid, Vice Chairman, Leslie L. Biffle, Alexander A. Vandegrift, Senator Charles E. Potter, Congressman John Phillips, Mrs. Theodore Rossevelt, Jr., Mrs. Wendell L. Willkie, Carl Spaatz, Benjamin O. Davis, Forest A. Harness, Brig. Gen. Thomas North, Secretary.

Cemeteries and memorials under the jurisdiction of the American Battle Monuments Commission

CEMETERIES

	Dead
World War I:	
Romagne, France	14, 244
Fere-en-Tardenois, France	6, 012
Thiaucourt, France	4, 152
Belleau, France	2, 288
Bony, France	1, 836
Suresnes, France	1, 565
Brookwood, England	468
Waregem, Belgium	368
	30, 933
World War II:	
Draguignan, France	861
Epinal, France	5, 255
St. Avold, France	10, 489
St. James, France	4, 410
St. Laurent, France	9, 385
Cambridge, England	3, 811
Henri-Chapelle, Belgium	7, 989
Neuville-en-Condroz, Belgium	5, 242
Hamm, Luxembourg	5, 076
Margraten, Holland	8, 301
Nettuno, Italy	7, 861
Florence, Italy	4, 402
Carthage, Tunisia	2, 840
Fort McKinley, Philippines	17, 178
	93, 100
Mexico City National Cemetery	1, 563

MEMORIALS

World War I:
- Bellicourt, France
- Brest, France
- Cantigny, France
- Chateau-Thierry, France
- Montfaucon, France
- Montsec, France
- Sommepy, France
- Tours, France
- Audenarde, Belgium
- Vierstraat, Belgium
- Gibraltar

World War II:
- Draguignan, France
- Epinal, France
- St. Avold, France
- St. James, France
- St. Laurent, France
- Cambridge, England
- Henri-Chapelle, Belgium
- Neuville-en-Condroz, Belgium
- Hamm, Luxembourg
- Margraten, Holland
- Florence, Italy
- Nettuno, Italy
- Carthage, Tunisia
- Fort McKinley, Philippines

MEMORIAL CHAPELS

World War I:
- Romagne, France
- Fere-en-Tardenois, France
- Thiaucourt, France
- Belleau, France

World War I—Continued
- Bony, France
- Suresnes, France
- Brookwood, England
- Waregem, Belgium

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MEMORIAL TABLETS

World War I:
Chaumont, France
Souilly, France

MEMORIALS IN PROSPECT

World War I: Reconstruction Brest Memorial
World War II:
Hawaii
East coast
West coast

PURPOSE OF THE BILL

S. 3498 is a clean bill introduced by Senator Potter incorporating certain language suggested in reports received from the American Battle Monuments Commission, the Bureau of the Budget and the Department of the Army with respect to S. 1031, Senator Potter's original bill extending the Commission's authority. Inasmuch as the recommendations received from the reporting agencies of the executive branch were in conflict on several aspects of the proposed legislation, the committee carefully considered all of the reports as well as the testimony of witnesses. Certain departmental recommendations were of necessity rejected. The language of S. 3498 is a result of having synthesized these conflicting suggestions and it is the committee's unanimous feeling that the present bill better meets the Commission's needs than would the original bill, S. 1031.

In the past, the Department of the Army has been responsible for establishment of military cemeteries in which our American war dead are interred in foreign countries. In practice, the American Battle Monuments Commission has not assumed jurisdiction over such cemeteries until all interments and those exhumations necessary for the return of the remains to the United States had been effected. As a result, the completion of permanent military cemeteries abroad has in many cases been unduly delayed and the cemeteries have not been completed as permanent memorials, fitting in appearance and design, with the dispatch that might be realized if the Commission were permitted to undertake its work at an earlier period in the development of these cemeteries.

This legislation seeks to amend the Commission's basic legislation to permit it to enter such cemeteries located abroad at the same time the Department of the Army enters upon the task of accomplishing the burial of our war dead. Such a cooperative undertaking should assure the expeditious development of cemeteries in an orderly fashion and permit the burial of our servicemen in well-designed and appropriately attractive surroundings. S. 3498 provides authority for the Commission to work jointly with the Secretary of the Army in determining in the future which military cemeteries abroad shall become permanent cemeteries. Granting the Commission authority to control as to design and construction of such installations will permit the development of a more attractive and uniform system of cemeteries and memorials honoring those American war dead buried on foreign soil.

With the exception of those provisions dealing with per diem allowances and the promotion of the incumbent Secretary of the Commission, all other changes in the Commission's basic act which this legislation would effect are designed to improve or facilitate

operational and administrative practices, clarify the language of the original act and repeal those provisions creating authority which the Commission has no continuing occasion to exercise.

PROMOTION OF THE COMMISSION'S SECRETARY

Section 1 of this bill authorizes, but does not require, the President to appoint to the grade of major general in the Army the officer serving as Secretary of the Commission on the date of enactment of the bill. The Department of the Army objects to this provision calling for the promotion of an officer by special legislation. The provision is not a continuing authorization; only the present Secretary would be eligible for the promotion. The Secretary has had and still has the responsibility for the formulation, for decision of the Commission, of plans for the construction of 14 World War II cemeteries located in 8 foreign countries, a memorial in each, and memorials in the Hawaii National Cemetery, on the east and west coasts of the United States, as well as for reconstruction of the World War I memorial at Brest, France, which was destroyed during World War II. Upon the Secretary falls the responsibility for negotiating with the forty-odd separate architects and artists concerned as well as carrying out such plans after they have been accepted. The Secretary directs the operations of four overseas offices and the Commission's relations with the Congress and the representatives of foreign governments having an interest in the Commission's activities. The Secretary is personally responsible to the Commission for the high standard of maintenance of both World War I and World War II cemeteries.

The present Secretary of the Commission, Brig. Gen. Thomas North, has served as Secretary since 1946, having been recalled to active duty with his consent after having been retired. His duties are complex and difficult and, in the committee's view, commensurate with the grade proposed. The committee is aware of the outstanding manner in which General North has performed his duties over the years. Under his direct supervision, the extensive construction of memorials and cemeteries has been brought to a point of near completion at a savings of several million dollars. General North has been praised before the Committee on Appropriations in both Chambers of the Congress for the exceptionally high quality of his administrative ability. The Commission itself, several of its members being highly respected retired military officers, has strongly recommended this action since 1949. The committee cannot ignore the advice on this question it has received from men like Generals Marshall, Spaatz, Vandergrift and Davis, and Admiral Kinkaid. The language of the bill provides that the officer promoted shall not count against any limitation on the number of major generals permitted to be carried on active duty and is thus consistent with provisions in the Department of Defense appropriation acts relating to officers assigned to other agencies on a reimbursement basis.

PER DIEM ALLOWANCES

Section 1 (b) provides that the members of the Commission, when in a travel status, shall receive a per diem allowance of $20 in lieu of subsistence. The Commission's members are now reimbursed in accordance with Standardized Government Travel Regulations

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and are generally "out of pocket" when traveling on Commission business. The greater part of their official travel is in foreign countries where living costs for the temporary visitor are notoriously high. The approval of the Chairman is required before any member is authorized to proceed overseas on official business. The committee believes that a more liberal per diem allowance for the very distinguished members of the Commission is highly justified, particularly in view of the fact that the members serve without compensation.

Per diem allowances paid by the Commission to its members and its Secretary during the fiscal years 1953, 1954, and 1955 are as follows:

Fiscal year 1953	$3,294
Fiscal year 1954	2,831
Fiscal year 1955	2,425

Set forth below are copies of the reports received from the American Battle Monuments Commission, the Department of the Army and the Bureau of the Budget on S. 1031, Senator Potter's original bill.

THE AMERICAN BATTLE MONUMENTS COMMISSION,
Washington, D. C., April 11, 1955.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: Complying with your request of March 14, 1955, the American Battle Monuments Commission submits the following report on the bill S. 1031 to extend the authority of the American Battle Monuments Commission to all areas in which the Armed Forces of the United States have conducted operations since April 6, 1917, and for other purposes.

The bill amends the act of March 4, 1923, as amended by the act of June 26, 1946 (Public Law 456, 79th Cong.; 36 U. S. C. 121). For clarity, its effect upon Public Law 456 is set out below, section by section.

Section 1: New language is inserted in the first paragraph of this section which provides for the promotion of the present Secretary of the Commission to the grade of major general in order that he may have rank more commensurate with the duties and responsibilities of this difficult position.

The second paragraph is amended by the insertion of new language providing that members of the Commission, when traveling on business of the Commission, shall receive a per diem of $20 in lieu of subsistence. Members are now reimbursed in accordance with Standardized Government Travel Regulations and are "out of pocket" when traveling on Commission business; they receive no compensation whatsoever for their services and it is believed that a more liberal subsistence allowance is highly justified.

The third paragraph is amended to provide that the Commission shall reimburse other departments or agencies for the pay and allowances of personnel detailed to assist it in its work; this merely transfers to permanent legislation provisions now carried in the Commission's appropriation acts and possibly subject to point of order. It is further provided that commissioned and warrant officers of the armed services assigned to the Commission shall not be counted against any limitations upon the number of such officers the services may have on active duty. The Commission considers these provisions to be eminently reasonable and fair.

New: A new section 2 is added which delineates here in permanent legislation the responsibilities and the functions of the Commission and the Department of the Army with respect to any permanent military cemeteries which may hereafter be established in foreign countries as a result of combat operations. These are the same responsibilities and functions which the two agencies have exercised since World War II through temporary legislation enacted after the cessation of hostilities and in mutual cooperation. It is believed that their delineation here in permanent legislation would be desirable for the expedition of the joint and respective functions of the two agencies, should the occasion again arise.

Section 2: Redesignated section 3 and amended as follows:

(*a*) The date April 6, 1917, is inserted in the first sentence of the first paragraph after the words "have served" to indicate that the Commission's functions do not relate to wars prior to World War I. The Commission does not desire this authority and does not believe that it was the intent of Congress that it should have it.

(*b*) The first paragraph of this section is further amended by inserting a provision that with the consent of the Secretary of the Army the Commission may erect works of architecture and art in national cemeteries located in the United States and its Territories and possessions, and that any such works erected by the Commission shall be maintained by the Department of the Army. An illustration of the use of this authority is the National Memorial Cemetery of the Pacific, in Hawaii. This cemetery falls naturally into the pattern of the Commission's program for the commemoration of the services of the American Armed Forces in World War II. The Commission felt, and the Secretary of the Army agreed, that the commemoration here should be similar to that in the World War II cemeteries in foreign countries, and the necessary authority was granted by the Congress in the Commission's 1955 appropriation act. The present amendment provides in permanent legislation for the possibility that similar situations might arise at a future date. That there be no divided authority, the national cemeteries being under the jurisdiction of the Department of the Army, provision is made also that any memorials erected therein by the Commission shall be maintained by the Department.

(*c*) The third paragraph of this section is amended by deleting the Commission's present control over the erection of memorials upon federally owned or controlled property in the United States or in its Territories and possessions. The exercise of such control by the Commission has been found to be impractical.

Section 3: Redesignated section 4 and amended by deletion of the words "or material". It is felt that the Commission of Fine Arts cannot have the knowledge of foreign materials upon which to give considered judgment as to the acceptability of these materials for use in a memorial erected in a foreign country.

Section 4: Redesignated section 5, but otherwise unchanged.

Section 5: This section is deleted as the memorials which the Commission may erect, except in national cemeteries, will remain under its jurisdiction for maintenance.

Section 6: Unchanged.

Section 7: Unchanged.

Section 8: Deleted, as the authority contained therein has never been used.

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Section 9: Deleted, as the authority contained therein has never been used.

Section 10: Redesignated section 8, but otherwise unchanged.

Section 11: Redesignated section 9 and the phrase "upon the termination of its duties" amended to read "when no longer required by the Commission." This change recognizes the permanency of the Commission.

Section 12: Redesignated section 10 and additional language inserted which provides that at the same time that the President may by Executive order transfer to the Commission for administration permanent military cemeteries located outside the United States and its Territories and possessions he may also transfer such supplies, materials, and equipment located therein or in military depots overseas which are surplus to the needs of the service having jurisdiction thereof and are requested by the Commission for the performance of its functions. While such authority has existed in other legislation, the Commission believes its inclusion here is desirable, especially in this specific form. It anticipates the indeterminate period following the cessation of hostilities, if such should occur again, when the Commission might be unable, through its own resources, to provide the supplies, materials, and equipment necessary for the maintenance of the cemeteries transferred to its jurisdiction.

Section 13: Redesignated section 11, but otherwise unchanged.

Section 14: Redesignated section 12 and the following changes and additions made.

(*a*) First paragraph, second line: "Such purposes" is changed to read "the purposes of this act" as in the preceding section.

(*b*) Second paragraph, fourth line: The words "or for use outside" are inserted after the word "outside". The purpose is to give the Commission discretionary authority to purchase in the United States without bids supplies, materials, or equipment for use overseas when the designs or specifications of architects call for special types or when, in the Commission's experience, such procedure is desirable.

(*c*) After the third paragraph of this section a new paragraph is inserted which authorizes the Commission to settle claims not in excess of $1,000, arising in a foreign country, and resulting from the negligent or wrongful act or omission of an officer or employee of the Commission while acting within the scope of his office or employment. The Commission's work through which any claims of this nature might arise is carried on entirely in foreign countries and the provisions of the Federal Tort Claims Act do not apply. It is necessary therefore, to refer each such claim individually to the Congress for the appropriation of funds. Direct settlement will be no more costly and generally will avoid long delay.

The Commission has given careful consideration to the foregoing amendments to its basic legislation; they have its complete approval; and it recommends passage of S. 1031.

In accordance with regulations, this report has been referred to the Bureau of the Budget, which has advised that there is no objection to its submission to your committee. The views of the Bureau have been expressed to the committee in its letter of March 28, 1955.

For the Commission:

Faithfully yours,

THOMAS NORTH,
Brigadier General, USA, Secretary.

DEPARTMENT OF THE ARMY,
Washington, D. C., April 22, 1955.

Hon. JAMES E. MURRAY.
Chairman, Committee on Interior and Insular Affairs,
United States Senate.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to S. 1031, 84th Congress, a bill to extend the authority of the American Battle Monuments Commission to all areas in which the Armed Forces of the United States have conducted operations since April 6, 1917, and for other purposes. The Secretary of Defense has delegated to the Department of the Army the responsibility for expressing the views of the Department of Defense thereon.

The Department of the Army on behalf of the Department of Defense has considered the above-mentioned bill and subject to adoption of the proposed changes listed below interposes no objection to its enactment.

The purpose of the bill is to make various changes in the statutory authority of the American Battle Monuments Commission.

The Department of the Army objects to the provisions of section 1 (a) which provides for the promotion of the Secretary of the American Battle Monuments Commission to the grade of major general. The duties of this position do not justify the grade of major general. Under the present limitation on the number of general officers in the grade of major general or above, it has been necessary to downgrade certain major general positions in the active Army to the grade of brigadier general in order to remain within the prescribed ceiling. To authorize the grade of major general for the Secretary of the American Battle Monuments Commission by means of special legislation while denying major general grade for other appropriate responsible positions within the active Army would create an adverse situation. Accordingly, it is recommended that section 1 (a) be deleted from the bill.

It is further recommended that sections 3 (a) and 4 (b) of the bill be amended to read as follows:

"SEC. 3 (a) Such Act is amended by inserting immediately after the first section thereof the following new section:

"'SEC. 2. When, as a result of combat operations, the Armed Forces shall establish military cemeteries in zones of operations outside the United States and its Territories and possessions, the Commission and the Secretary of the Army immediately upon the cessation of hostilities, shall determine which of the cemeteries so established, *if any*, shall become permanent cemeteries or, as they may deem desirable, select new sites *at any other location* for such cemeteries. The Commission shall be solely responsible for the design and construction of such permanent cemeteries, and of all buildings, plantings, headstones, and other permanent improvements incidental thereto except that (1) *the Armed Forces shall be responsible for the maintenance of such permanent cemeteries until such time as the Commission shall express its readiness to assume the functions of administration hereinafter authorized*, (2) *all construction undertaken by the Armed Forces in establishing and maintaining the cemetery prior to its transfer to the Commission shall be non-permanent in nature*, (3) *burials and reburials therein by the Armed Forces shall be carried out*

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in accordance with plans prepared by the Commission, (4) the Armed Forces shall have the right to re-enter any cemeteries transferred to the Commission for the purpose of making exhumations or reinterments should they deem any such action to be necessary.'"

The above proposed changes in the wording of the bill will:

(1) Eliminate uncertainty as to whether a permanent cemetery must be established in each zone of operations in which a temporary military cemetery had been established.

(2) Insure that the Armed Forces are not required to furnish permanent construction while maintaining the permanent cemeteries prior to transfer to the Commission.

(3) Limit the responsibilities of the Armed Forces as to burials and reburials after transfer of the cemeteries to the Commission, to such exhumations and reinterments as the Armed Forces deem necessary. This will conform the bill to Executive Order No. 10057 under which certain permanent military cemeteries were transferred to the Commission on May 14, 1949. As the bill is presently worded, the Armed Forces would be responsible for all burial, reburial and disinterment operations of any nature at all times in the future.

The word "surplus", line 21, page 6, should be changed to "excess" and the words "service having jurisdiction thereof", line 22, page 6, should be changed to "Department of Defense".

This proposed change will conform the bill to the policy governing disposition of excess and surplus property contained in the act of June 30, 1949, as amended (40 U. S. C. 471 et seq.).

This Department has no information available concerning the possible fiscal effects of the proposed legislation. Additional expense will be incurred by the Department of the Army when it is called upon to maintain works of art and architecture erected in national cemeteries.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that while there is no objection to the submission of this report, its views are as expressed in a letter directly to the committee dated March 23, 1955 on S. 1031.

Sincerely yours,

CHARLES C. FINUCANE,
Acting Secretary of the Army.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 28, 1955.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: This is in reply to your letter of February 16, 1955, requesting a study and report on S. 1031, a bill to extend the authority of the American Battle Monuments Commission to all areas in which the Armed Forces of the United States have conducted operations since April 6, 1917, and for other purposes.

The effect of the bill is to amend the basic authorizing legislation for the American Battle Monuments Commission.

Section 1 (a) of the bill provides for the promotion of the Secretary to the grade of major general. The Officer Personnel Act of 1947

establishes a procedure for the selection of officers for the grade of major general, and it is not deemed advisable to use special legislation to authorize the promotion of a specific individual outside the normal promotion channels set up pursuant to that act. However, it is recognized that the Secretary of the Commission is in effect the principal executive officer of the agency and, as such, is entitled to compensation commensurate with his responsibilities. There would be no objection, therefore, to revising section 1 (a) to provide for the payment of compensation to the Secretary, notwithstanding any other provision of law under the Classification Act of 1949, as amended, to be paid in lieu of military pay and allowances but without depriving the incumbent of other military benefits (longevity, retirement credit, etc.).

The first paragraph of section 1 (b) authorizes a subsistence allowance to Commission members of $20 a day. The act of August 2, 1946 (5 U. S. C. 73b–2) authorizes a maximum rate of $10 per diem in lieu of subsistence for persons serving without compensation. Proposed legislation recently submitted to Congress provides for the increase of this rate to $15 within the limits of the continental United States and, beyond such limits, provides for the use of per diem rates established by the Director of the Bureau of the Budget pursuant to the Travel Expense Act of 1949. In the absence of any compelling reason for a higher rate, it is believed that payment of subsistence to members of the Commission should be based on the general authorization.

The first two sentences of the second paragraph of section 1 (b) authorizes other agencies to make their facilities available to the Commission and authorize reimbursement from the Commission for pay and allowances of personnel of other agencies. To prevent the augmentation of the Commission's appropriations from other sources, it is desirable that reimbursement be made for all personnel and services furnished by other agencies. It is therefore recommended that the limiting phrase "for the pay and allowances of the personnel so designated" be deleted from the end of the first sentence of this paragraph.

The last sentence of the second paragraph of section 1 (b) exempts officers of the Armed Forces who are assigned to the Commission from numerical limitations on the strength of their respective services. Similar authority is contained in section 704 of the Department of Defense Appropriation Act, 1955, which provides that military personnel detailed to other agencies on a reimbursable basis may be employed in addition to the numbers authorized. The question should be considered in light of the military manpower situation, and if this section should not be enacted in subsequent appropriation acts, there would appear to be no reason for a special exemption in regard to officers serving with the Commission. It is therefore recommended that this sentence be deleted.

Section 3 (a) provides for the Commission and the Secretary of the Army to determine the establishment of future permanent military cemeteries resulting from combat operations. We believe Congress should specifically authorize the establishment of new permanent cemeteries, as was done with respect to World War II cemeteries, rather than create a blanket authorization as would be done under this section.

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Section 3 (b) authorizes the Commission, with the consent of the Secretary of the Army, to erect works of architecture and art in national cemeteries located within the United States, its Territories and possessions. The overseas cemeteries under the jurisdiction of the American Battle Monuments Commission are essentially commorative in nature, and have historical significance with battles or campaigns which occurred in their vicinity. They are not available for further interments. On the other hand, the national cemeteries administered by the Department of the Army are used to provide burial space to deceased veterans, members of the Armed Forces and certain members of their families, and serve a functional purpose. The erection of works of architecture and art by the Commission as proposed by the bill could result in the building of structures not essential to the operation and maintenance of the cemeteries, and the diversion of ground which might otherwise be used for burial space. More importantly, it would also create a dual responsibility with respect to the planning and operation of the national cemeteries. At the present time, the division of responsibility between national cemeteries administered by the Army and the overseas cemeteries administered by the Commission is well defined and should be continued.

Section 3 (c) eliminates the requirement that the National Commission of Fine Arts approve material for memorials before acceptance by the American Battle Monuments Commission. This provision is desirable because of the latter's activities overseas, which makes the present requirement impractical.

Section 4 (a) provides for the deposit with the National Archives of records of no longer required by the Commission. This section is unnecessary in view of the authority contained in section 507 (a) (1) of the Federal Records Act of 1950 (44 U. S. C. 397).

Section 4 (b) extends existing authority for the transfer of functions by Executive order to include the transfer of supplies, material and equipment overseas. In this section, the word "surplus" line 21, page 6, should be changed to "excess" and the words "service having jurisdiction" line 22, page 6, should be changed to "Department of Defense". This proposed change will conform the bill to the policy governing disposition of excess and surplus property contained in the act of June 30, 1949, as amended (40 U. S. C. 471, et seq.).

Section 4 (c) authorizes the Commission to adjust and settle claims not in excess of $1,000 arising in foreign countries. In lieu of this separate authority we recommend that tort claims resulting from Commission activities be settled under the provisions of the Foreign Claims Act. This could be done by authorizing the settlement of such claims by existing claims boards established under that act with payment of awards to be made from Commission funds. In this way more uniformity in the settlement of overseas tort claims would be afforded.

Subject to changes discussed in the foregoing paragraphs the Bureau of the Budget would recommend favorable consideration by the committee.

Sincerely yours,

HAROLD PEARSON,
Assistant Director.

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Calendar No. 1851

84TH CONGRESS, 2d Session | SENATE | REPORT No. 1827

DECLARING THE CUSTOMS COURT TO BE A CONSTITUTIONAL COURT

APRIL 24, 1956.—Ordered to be printed

Mr. HENNINGS, from the Committee on the Judiciary, submitted the following

REPORT

To accompany S. 584]

The Committee on the Judiciary, to which was referred the bill (S. 584) to amend title 28, United States Code, relating to the Customs Court, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

AMENDMENT

On page 2, following line 16, add a new section to read as follows:

SEC. 4. Nothing contained in this Act shall be construed in any way to limit or alter the jurisdiction heretofore conferred upon the United States Customs Court by any provision of law.

PURPOSE OF AMENDMENT

The purpose of this amendment is to carry forth in the present legislation section 4 of S. 2975 as reported by the committee in the 83d Congress. The amendment is simply to make clear that the act shall not be construed to in any way limit or alter the jurisdiction heretofore conferred upon the United States Customs Court by any provision of law.

PURPOSE

The purpose of the proposed legislation, as amended, is to declare the Customs Court to be a constitutional court and to authorize the temporary assignment of judges to and from that court.

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STATEMENT

S. 584, as amended, accomplishes the same purposes as S. 2975 of the 83d Congress, which was reported to the Senate by the Committee on the Judiciary on August 7, 1954. The same facts apply to the justification of this legislation as existed in the 83d Congress.

The Customs Court, as it now exists, is a legislative court. There are 2 classes of United States courts, 1 class being termed "constitutional courts," meaning those established under article III of the Constitution, and the other class being termed "legislative courts," being those not established under article III. The Customs Court handles a class of cases which very properly should fall under the judicial power of the United States as set forth in article III, which provides that such judicial power "* * * shall extend * * * to controversies to which the United States shall be a party." There appears to be no doubt but that the Customs Court could have been created under article III. The committee is of the opinion that the court more properly should have been so created, and this bill accomplishes this end.

CROSS ASSIGNMENT OF JUDGES

Under S. 584, as reported from the committee, judges of the Customs Court could be assigned to perform judicial duties in any United States district court, without regard to any expression of his own willingness. This is in line with other provisions of the Judicial Code with respect to the assignment of other judges to service outside the courts to which they were appointed. Similarly, S. 584 would permit assignment to service on the Customs Court of any district judge designated by the chief justice.

S. 2975 of the 83d Congress, as amended, contained certain technical changes proposed by Judge Albert B. Maris in a letter to the Honorable William Langer, then chairman of the Committee on the Judiciary, a copy of which, for informational purposes, is hereto attached. It is believed that S. 584, as amended, also reflects these amendments. A copy of the report of the Acting Secretary of the Treasury, dated July 2, 1954, which indicates that the Treasury Department has no objection to enactment of this type of legislation, is also attached hereto.

The committee, after consideration, is of the opinion that ample justification exists for the enactment of this legislation and, therefore, recommends S. 584, as amended, to the favorable consideration of the Senate.

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT,
Philadelphia, Pa., May 5, 1954.

Hon. WILLIAM LANGER,
Chairman, Committee on the Judiciary,
United States Senate, Washington, D. C.

DEAR SENATOR LANGER: As chairman of the Committee on Revision of the Laws of the Judicial Conference of the United States I submit herewith perfecting amendments to S. 2975, a bill to amend

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title 28 of the United States Code to declare the Customs Court to be a constitutional court and to authorize the temporary assignment of judges to and from that court.

Section 2 of S. 2975 proposes to add to section 292 of title 28 an additional subsection which would authorize the Chief Justice to assign a district judge temporarily to perform such judicial duties in the Customs Court "as he is willing to undertake." This last provision is not in accord with the present law for the assignment of United States judges to temporary service in other courts embodied in sections 291, 292, and 295 of title 28, in that such service is not now conditioned upon the willingness of the judge to perform the specific duties to which he is assigned but merely upon the consent of the chief judge of his circuit. Under the statutory provisions above referred to each circuit and district judge is subject to temporary assignment to service in other courts by the Chief Justice with the consent of the chief judge of his home circuit.

The enclosed amendment of section 2 of S. 2975 would eliminate from the proposed new subsection of section 292 the clause to which I have referred and thus make the subsection uniform with the provisions of the existing law upon the subject. It would also conform the name of the court to the style of title 28 and would designate the subsection as (f) instead of (e) in view of the provisions of a pending bill, S. 3131, relating to the Court of Customs and Patent Appeals which is proposing to add a new subsection (e) to section 292 of title 28.

Section 3 of S. 2975 proposes to add a new subsection (f) to section 292 to authorize the Chief Justice upon the request of the chief judge of a district court to assign temporarily a judge of the Customs Court to perform such duties in that district court as he is willing to undertake. This provision departs in two respects from the existing statutory procedure for the assignment of judges. It provides that a judge of the Customs Court may be assigned temporarily for such duties only "as he is willing to undertake." As above pointed out, this is a limitation which has never been applied to the assignment of judges of the United States appointed under article III and if, as S. 2975 proposes, the Customs Court is to be recognized as an article III court, its judges should be assigned on the same basis as any other judge of the United States. In addition to this, the proposed subsection calls for the assignment of a judge of the Customs Court to a district court upon the request of the chief judge of the latter court. This also does not comply with the existing statutory provisions for the assignment of judges. Such assignments from one circuit to another are now made upon a certificate of necessity by the chief judge of the circuit rather than of the chief judge of the particular court seeking assistance. This implements the statutory responsibility of the chief judge of the circuit for making assignments of judges within his circuit by giving him similar responsibility with respect to the assignment of outside judges for service within the courts of his circuit.

The enclosed amendment to section 3 of S. 2975 accordingly amends the proposed subsection by eliminating the clause conditioning the assignment of a judge of the Customs Court to such service only "as he is willing to undertake" and by providing that such an assignment shall be made upon presentation of a certificate of necessity by the chief judge or circuit justice of the circuit wherein the need arises.

The amendment also provides that this new paragraph shall be added to section 293 of title 28 rather than to section 292 since, in accord with the suggestions which I have made to you with respect to S. 3131, the bill relating to the Court of Customs and Patent Appeals, section 293 is the appropriate section in which to include provisions for the assignment of judges of the special courts.

The enclosed amendment to section 3 of S. 2975 makes one further amendment which is required in order to make the provisions of S. 2975 accord with existing assignment procedure. This is to add a sentence to the first paragraph of section 295 of title 28 to the effect that no assignment of a judge of the Customs Court in active service shall be made without the consent of the chief judge of that court. The first paragraph of section 295 now makes a similar provision with respect to the assignment of circuit and district judges and thereby prevents their assignment to other courts except when, in the opinion of the chief judge of their circuit, they may properly be spared from their regular service. A similar provision should, of course, be included to protect the Customs Court from the assignment of its judges to other courts under circumstances which would prejudice its work.

I trust that the enclosed amendments to S. 2975 may prove helpful to your committee.

Sincerely yours,

ALBERT B. MARIS.

JULY 2, 1954.

Hon. WILLIAM LANGER,
Chairman, Committee on the Judiciary,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to your letter of April 14, 1954, requesting a statement of this Department's views on S. 2975, to amend title 28, United States Code, relating to the Customs Court.

Section 1 of the proposed legislation would amend the Judicial Code to provide that the United States Customs Court is to be a court established under article III of the Constitution of the United States. Sections 2 and 3 of the bill would amend the Judicial Code to provide that the Chief Justice of the United States, upon a showing of necessity, may designate members of the Customs Court to act as district judges and members of the district courts to act as judges of the Customs Court.

This Department would have no objection to the enactment of the proposed legislation.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

H. CHAPMAN ROSE,
Acting Secretary of the Treasury.

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CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 28—JUDICIARY AND JUDICIAL PROCEDURE

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CHAPTER 11.—CUSTOMS COURT

Sec. 251. Appointment and number of judges; offices

The President shall appoint, by and with the advice and consent of the Senate, nine judges who shall constitute a court of record known as the United States Customs Court. *Such court is hereby declared to be a court established under article III of the Constitution of the United States.* Not more than five of such judges shall be appointed from the same political party.

The President shall designate from time to time one of the judges to act as chief judge.

The offices of the court shall be located at the port of New York.

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CHAPTER 13.—ASSIGNMENT OF JUDGES TO OTHER COURTS

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SEC. 292. DISTRICT JUDGES.

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(f) The Chief Justice of the United States may upon presentation to him by the chief judge of the Customs Court of a certificate of necessity, designate and assign temporarily any district judge to serve as a judge of the Customs Court.

SEC. 293. CIRCUIT OR DISTRICT JUDGES TO COURT OF CUSTOMS AND PATENT APPEALS.

The Chief Justice of the United States may, upon presentation to him by the chief judge of the Court of Customs and Patent Appeals of a certificate of necessity, designate and assign temporarily any circuit or district judge to perform such duties as judge of the Court of Customs and Patent Appeals as he is willing to undertake.

The Chief Justice of the United States may designate and assign temporarily a judge of the Customs Court to perform judicial duties in a district court in any circuit upon presentation of a certificate of necessity by the chief judge or circuit justice of the circuit wherein the need arises.

* * * * * * *

SEC. 295. CONDITIONS UPON DESIGNATION AND ASSIGNMENT.

No designation and assignment shall be made without the consent of the chief judge or judicial council of the circuit from which a judge is to be designated and assigned. *No designation and assignment of*

a judge of the Customs Court in active service shall be made without the consent of the chief judge of such court.

All designations and assignments of justices and judges shall be filed with the clerks and entered on the minutes of the courts from and to which made.

The Chief Justice of the United States, a circuit justice or a chief judge of a circuit may make new designations and assignments in accordance with the provisions of this chapter, and may revoke those previously made by him.

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Calendar No. 1852

84TH CONGRESS, 2d Session | SENATE | REPORT No. 1828

INCREASING SALARIES FOR PART-TIME AND FULL-TIME REFEREES IN BANKRUPTCY

APRIL 24, 1956.—Ordered to be printed

Mr. HENNINGS, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. R. 4791]

The Committee on the Judiciary, to which was referred the bill (H. R. 4791) to amend section 40 of the Bankruptcy Act, so as to increase salaries for part-time and full-time referees, having considered the same reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of the proposed legislation is to increase the maximum annual compensation that may be paid full-time referees in bankruptcy from $12,500 to $15,000 and for part-time referees from $6,000 to $7,500.

STATEMENT

The facts in connection with this legislation are fully set forth in House Report No. 579, to accompany H. R. 4791, as follows:

> It is generally recognized that the present maximum compensation for many referees in bankruptcy is inadequate. Referees have responsibilities and functions not unlike judges of the Federal district courts in the administration of the bankruptcy laws. In 1946, when the Referees' Salary Act became law, the maximum compensation for full-time referees was fixed at $10,000 per year. In that same year, the compensation of judge of the Federal district courts was fixed at $15,000 per year. Since that time the cost of living and general income scale has risen greatly. In 1952 emergency relief was afforded referees by raising the ceiling for full-time referees to $12,500 per year and for part-time referees from $5,000 to $6,000 per year. It was felt inappro-

priate to increase the referees' compensation to more than $12,500 in view of the fact that compensation of judges of the Federal district courts remained at $15,000. However, recently the compensation of district court judges was increased to $22,500 and it is now possible to make a proper adjustment in the referees' compensation.

Another reason an increase in referees' compensation is warranted at this time is the increase in the number of bankruptcy proceedings resulting in a greater workload. In 1948 there were 18,510 bankruptcy cases filed; in 1949, 26,021; in 1950, 33,392; in 1951, 35,193; in 1952, 34,873; in 1953, 40,087; in 1954, 53,136; and in the first 6 months of fiscal 1954–55 there were 28,248 cases filed. To retain and obtain high-caliber referees requires that their compensation fairly take into account the cost of living and the burden of work involved.

It should be noted that this legislation does not provide for an automatic increase in the compensation of referees. The present practice remains unchanged by which the Judicial Conference of the United States, after advising with the judicial councils, district court judges, and the Director of the Administrative Office of the United States Courts, fixes the various referees' salaries. The Judicial Conference has authorized 75 full-time and 90 part-time referee positions beginning July 1, 1955. According to this authorization, 46 of the 75 full-time referees will receive the present maximum annual compensation of $12,500, 11 will receive $11,250, 9 will receive $10,000, 3 will receive $9,000, and 6 will receive $8,000. Of the 90 part-time referees, 25 will receive the present maximum annual compensation of $6,000. The 65 other part-time referees will receive lesser amounts ranging from $500 to $5,500 per year.

The increase in the maximum annual compensation for referees will place no additional burden on the General Treasury. Referees' salaries and expenses are paid out of the referees' salary and expense funds. These funds are made up of filing and other fees paid by parties in bankruptcy proceedings. At present, there is a substantial surplus in both these funds. As of March 31, 1955, there was a surplus of $2,588,380 in the referees' salary fund and a surplus of $1,616,823 in the referees' expense fund. However, it is estimated that current income to these funds will be more than enough to pay whatever increases in compensation the Judicial Conference might authorize as a result of this legislation without impairing the already substantial surpluses. This estimate takes into account the fact that the Judicial Conference lowered the fees paid by parties into these funds as recently as January 1, 1954.

The committee, after consideration, concurs in the conclusions reached by the House of Representatives and, therefore, recommends the bill, H. R. 4791, to the favorable consideration of the Senate.

Attached hereto and made a part hereof is the report of the Director of the Administrative Office of the United States Courts submitted in connection with H. R. 4791.

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APRIL 8, 1955.

Hon. EMANUEL CELLER,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN CELLER: The bill H. R. 4791 about which you inquired on March 14, 1955, to amend section 40a of the Bankruptcy Act would raise the maximum limit upon salaries to be fixed by the Judicial Conference of the United States for full-time referees in bankruptcy from $12,500 to $17,500 per annum and for part-time referees from $6,000 to $9,000 per annum.

The Judicial Conference considered this bill at a meeting held in Washington on March 24 and 25, 1955, and recommended an increase in the maximum salaries to be authorized for full-time referees to $15,000 a year and for part-time referees to $7,500 a year.

None of the regular Federal Pay Acts providing for salary increases for Government employees have been applicable to referees in bankruptcy. Annual salaries of referees now authorized by the Judicial Conference within the present maximum total $1,231,350 as compared with payments into the referees' salary fund of approximately $1,725,000 during the current fiscal year, thus leaving an estimated surplus of $493,650 this year. The estimated cost of the increases, depending upon the salaries fixed within the maximum limits recommended by the Judicial Conference, will be about $277,100 a year which is well within the current yearly surplus so that the increases would cast no burden on the General Treasury. The system would continue to be self-sustaining.

The increases in the maximum salaries of referees are well merited and I hope the proposed amendment may be enacted into law at the present session of Congress.

With kind regards, I am,

Sincerely yours,

HENRY P. CHANDLER,
Director, Administrative Office of the United States Courts.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 40A OF THE ACT ENTITLED "AN ACT TO ESTABLISH A UNIFORM SYSTEM OF BANKRUPTCY THROUGHOUT THE UNITED STATES", APPROVED JULY 1, 1898, AS AMENDED

* * * * * * *

SEC. 40. COMPENSATION OF REFEREE'S SALARY AND EXPENSE FUNDS; RETIREMENT OF REFEREES. a. Referees shall receive as full compensation for their services salaries to be fixed by the conference, in the light of the recommendations of the councils, made after advising with the district judges of their respective circuits, and of the Director, at rates not more than [$12,500] *$17,500* per annum for full-time referees, and not more than [$6,000] *$9,000* per annum for a part-time referees. In fixing the amount of salary to be paid to

a referee, consideration shall be given to the average number and the types of, and the average amount of gross assets realized from, cases closed and pending in the territory which the referee is to serve, during the last preceding period of ten years, and to such other factors as may be material. Disbursement of such salaries shall be made monthly by or pursuant to the order of the Director.

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Calendar No. 1853

84TH CONGRESS, 2d Session | SENATE | REPORT No. 1829

AUTHORIZING THE SECRETARY OF THE INTERIOR TO CONSTRUCT, OPERATE, AND MAINTAIN THE WASHOE RECLAMATION PROJECT, NEVADA AND CALIFORNIA

APRIL 24, 1956.—Ordered to be printed

Mr. BIBLE, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany S. 497]

The Senate Committee on Interior and Insular Affairs, to whom was referred the bill (S. 497) to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California, having considered the same, report favorably thereon with the following amendments and with the recommendation that the bill, as amended, do pass:

No. 1. Page 2, line 1, corrects acreage by substituting "thirty-one" for "thirty-five" thousand acres to be benefited by the project.

No. 2. Page 2, lines 5 and 6, insert "development of fish and wildlife resources," as a major purpose of the project.

No. 3. Page 2, line 12, after word "lands." add the following:

> The dam at the Stampede site shall be so constructed as to permit its ultimate enlargement to a height at which the reservoir will have a capacity of approximately 175,000 acre-feet.

No. 4. Page 3, lines 7 and 8, insert "block over a period of not more than fifty years, exclusive of any" permissible development period. The purpose of this amendment is to permit repayment to begin on any area of the project for which service is available without awaiting completion of the entire project.

No. 5. Page 3, line 15, after ":" insert the following:

> *Provided*, That neither the provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 636, 649), nor any other similar provision of the Federal reclamation laws shall be applicable to lands receiving supplemental water under the Washoe project.

The purpose of this amendment is to exempt land receiving supplemental water from the acreage limitations of the reclamation law of 1902.

No. 6. Page 4, line 8, after word "above:" insert the following:

> *Provided*, That the Secretary, prior to the delivery of project water supplies, shall have entered into a contract or contracts with an organization or organizations as defined in paragraph 2 (g) of the Reclamation Project Act of 1939 (53 Stat. 1187) which have the capacity to levy assessments upon all taxable real property located within their boundaries to assist in making repayments.

The purpose of this amendment is to require the formation of a conservancy district to assist in making repayments on the irrigation facilities.

No. 7. Page 4, beginning on line 15 through line 10, page 5, to read as follows:

> (d) Water users in Alpine County, California, shall have the opportunity to contract for project water made available by the Watasheamu Reservoir before such project water is offered for the development of any new land in Nevada. Should any such project water be contracted for by Alpine County water users, then in that event, such users shall be permitted to exchange such water for existing rights to natural flow or stored water of the West Carson River.
>
> (e) The use of water of the Little Truckee River solely for the generation of electric power by the Washoe project shall not impair or preclude the appropriation of such waters in the future for beneficial consumptive use within the Little Truckee River watershed in California to the same extent as such waters may be presently available for such appropriation in the State of California: *Provided*, That if and when an interstate compact covering the distribution and use of the waters of the Truckee and Carson Rivers is approved by the legislatures of the States of California and Nevada and is consented to by Congress, the operation of the Washoe reclamation project shall be in conformance with such compact, and the foregoing restriction shall not apply.

This amendment reflects an agreement between representatives of the States of California and Nevada with respect to the rights of California water users to contract for stored water of the West Carson River and protecting their use of waters in the Little Truckee River in connection with the generation of electric power. This amendment also provides that the operation of the Washoe project shall be in conformity with an interstate compact if and when such compact is approved by the States and consented to by the Congress.

No. 8. Page 5, line 11, after "SEC. 3." strike all through "." line 16, and insert the following:

> The Secretary is authorized to investigate, plan, construct, operate, and maintain minimum basic facilities for access to, and for the maintenance of public health and safety and the protection of public property on, lands withdrawn or acquired

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for the development of the Washoe project, to conserve the scenery and natural, historic, and archeologic objects, and to provide for public use and enjoyment of the same and of the water areas created by this project by such means as are consistent with its primary purposes. The Secretary is authorized to withdraw from entry or other disposition under the public-land laws such public lands as are necessary for the construction, operation, and maintenance of said minimum basic facilities and for the other purposes specified in this section and to dispose of such lands to Federal, State, and local governmental agencies by lease, transfer, exchange, or conveyance upon such terms and conditions as will best promote their development and operation in the public interest. The Secretary is further aurhorized to investigate the need for acquiring other lands for said purposes and to report thereon to the Committees on Interior and Insular Affairs of the Senate and House of Representatives, but no lands shall be acquired solely for any of these purposes other than access to project lands and the maintenance of public health and safety and the protection of public property thereon without further authorization by the Congress. All costs incurred pursuant to this section shall be nonreimbursable and nonreturnable.

The purpose of this amendment, recommended by the Department of the Interior, is to clarify the responsibilities of the Secretary of the Interior with respect to public safety, and it also outlines the procedure with respect to acquiring additional land for public purposes and the maintenance of public health and safety, as well as the protection of public property.

No. 9. This amendment, among other things, provides that facilities for the development of fish and wildlife resources of the project shall include those to permit increased minimum water releases from Lake Tahoe and restoration of the Pyramid Lake fishery in the interest of the Indians and the public. It also provides that the cost of such facilities, including operation and maintenance, shall be nonreimbursable and shall not exceed $2 million.

No. 10. This amendment changes SEC. 4 to SEC. 5.

No. 11. This amendment increases appropriation authorization from $41,700,000 to $43,700,000.

DESCRIPTION OF WASHOE PROJECT

The Washoe project would provide irrigation water to supplement present supplies and to provide a full supply to lands in Carson Valley and the Empire, Dayton, and Fort Churchill areas. In addition during dry cycles it would firm existing supplies of the Truckee River storage and Newlands reclamation projects. Drains would be provided for lands in Carson Valley and under the Truckee River storage project in Truckee Meadows. Hydroelectric energy would be generated to meet urgent local needs and to provide a portion of the repayment revenues. Project reservoirs would provide stream regulation that would materially lessen flood damage. Benefits to recreation and public health would be created. The project would variously affect fish and wildlife with the net effect to be determined by final structural

designs and operating criteria. The preservation and propagation of these resources, one of the purposes of the project, will be assured to the greatest extent possible through the continued cooperation of the Bureau of Reclamation with the Fish and Game Commissions of California and Nevada, and with the Fish and Wildlife Service.

Plan

The Washoe project would be integrated with the existing Truckee River storage and Newlands projects. It would also be coordinated with and dependent on the Truckee River Channel improvement that was proposed by the Corps of Engineers and authorized in the Flood Control Act of 1954 with the provision that the authorization would not become effective unless and until the Washoe reclamation project had been authorized.

In the Truckee River Basin the Stampede Reservoir would be built to a capacity of 126,000 acre-feet on Little Truckee River. Reservoir water would be discharged through the Stampede tunnel and Calvada penstock to the 20,000-kilowatt Calvada powerplant on the Truckee River. Below the powerplant the water would be regulated at the 226-acre-foot Calvada Reservoir. It would then flow in the Truckee River Channel and through existing facilities to meet and supplement established rights and to replace some of the Carson River water now used on the Newlands project for use higher upstream. On lands of the Truckee River storage project in Truckee Meadows deep drains would be installed and wells would be constructed to relieve artesian pressure.

In recognition of the important recreational potential at the Stampede Reservoir the recommended plan of development includes minimum basic recreation facilities on a nonreimbursable basis, provided local interests agree to assume operation and maintenance of the completed facilities, for protection and accommodation of the visiting public at the reservoir.

In the Carson River Basin the Watasheamu Reservoir on the East Fork of the Carson River would be constructed to a capacity of 115,000 acre-feet. The reservoir would regulate flood flows now running to waste and some water now used by the Newlands project which would be replaced by Washoe project water from the Truckee River. Releases from Watasheamu Reservoir would pass through the 8,000-kilowatt Watasheamu powerplant at the base of the dam. The water would then be regulated at the Dressler diversion dam and afterbay that would impound 1,040 acre-feet. At the dam some water would be diverted into the potential Carson Canal that would serve new lands along its course in Carson Valley and that would also deliver water to the West Fork of Carson River for distribution by existing canals diverting from that stream. Some water bypassing Dressler diversion dam, together with return flows reaching the stream, would be diverted to lands in Carson Valley and in the Empire, Dayton, and Fort Churchill areas. The remaining flows passing Dressler Dam would continue on to the Lahontan Reservoir of the Newlands project. The existing Allerman Canal in the Carson Valley would be enlarged and extended. Some new laterals would be constructed and existing laterals would be improved and extended as necessary. Systems of main drains would be installed in Carson Valley.

Principal agricultural production

Alfalfa, grain, pasture—dairy cows and beef.

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SUMMARY—WASHOE PROJECT, NEVADA AND CALIFORNIA

Average annual increase in irrigation supply (acre-feet):

For Carson Valley, Empire, Dayton, and Forth Churchill areas	68, 300
For existing Truckee River storage project	[1] 2, 600
For existing Newlands project	[1] 1, 700
Total	72, 600

[1] Supply to be reserved for use in dry cycles.

Land area served (acres)

Project subarea	Full irrigation service land	Supplemental irrigation service land	Supplemental irrigation and drainage service land	Total
Carson Valley	5, 100	19, 990	18, 170	43, 260
Empire, Dayton, and Fort Churchill areas		6, 300		6, 300
Newlands project		70, 000		70, 000
Truckee River storage project (Truckee Meadows)		14, 070	12, 730	26, 800
Total	5, 100	110, 360	30, 900	146, 360

Power

Installed capacity—kilowatts	28, 000
Average annual project generation—kilowatt-hours	95, 871, 000
Average annual reduction in existing generation—do	4, 500, 000
Average selling rate—mills per kilowatt-hour	9

Flood control

Annual reduction in flood damages	$288, 900

Costs

Construction costs	$43, 700, 000
Annual operation, maintenance, and replacement cost	[1] $210, 540

[1] Exclusive of fish and wildlife operations.

Benefit-cost ratio

Average annual benefits would compare with average annual equivalent costs in ratio of 1.8 to 1.0.

Repayment

Irrigation and drainage payments up to the ability of the water users would be made for 50 years after suitable development periods for various project lands. The power investment would be amortized in 50 years at 2.5 percent interest. Interest in 50 years paid to the Federal Treasury would amount to $14,734,000. Net power revenues accuring for 14 years after repayment of the power investment would fully repay the part of the irrigation and drainage allocation beyond the repayment ability of the water users.

Review of Allocations Procedure

The committee reviewed the allocations of costs proposed in the several reports in connection with the project, particularly with reference to the flood-control benefits and corresponding assignment of nonreimbursable costs to this feature. Questions were raised at hearings held in Reno, Nev., in October 1955, regarding the consistency of the bases for the flood control allocations. Subsequently, disastrous

floods swept the city of Reno and other areas of the Truckee and Carson Valleys. The results of the floods were brought to the attention of the committee by the Governor and the State engineer of Nevada were not included in the original calculations of flood control allocations.

Further, the committee makes the same observation with respect to flood control allocations that it did with respect to the Washita, Okla., project (pp. 2 and 3, Rept. No. 361, accompanying S. 180, 84th Cong., 1st sess.). In the case of the Washita project, the flood control allocation recommended by the committee was $15,417,000 under a so-called modified alternative justifiable expenditure method. This compared with an allocation of $9,475,000 under the so-called separable costs and remaining benefit method proposed by the Department of the Interior.

Application of "Washita" Formula

Application of the "Washita" procedure in connection with the Washoe flood control cost allocation would result in an increase from $5,800,000 to approximately $8 million according to the best analyses available. This increase would also include a recalculation of flood control values incident to the December 1955 floods and recognition of current values with respect to the original flood control evaluation. The committee reiterates the position taken with respect to flood control allocations procedures on the Washita project, holding that the original approach "had been established and heretofore approved by the Congress in connection with other projects." The distribution of the additional nonreimbursable amounts thus provided as between power and irrigation costs is a matter of engineering or economic determination for the reclamation technicians with the approval of the Department.

In this connection, the committee respectfully reiterates the position indicated in the Washoe report to the effect that the executive agencies should seek congressional approval before instituting drastic revisions of cost allocation procedures that have been established directly or indirectly by legislative enactment.

With the exception of the flood-control allocation and consequent redistribution of corresponding reductions to irrigation and power, the committee recommends approval of the cost allocation substantially as reported at the hearings.

Fish and Wildlife Development

An additional nonreimbursable item of $2 million for the protection preservation, and development of fish and wildlife resources recommended by the Department of the Interior, has the full concurrence of the committee. This proposal is fully justified by the record made at hearings and the executive agencies are commended for their recognition of the national character of this great natural resource phase of the Washoe project. The fact that the Pyramid Indians' concern with long-time fishing rights in the area should be allayed gives added value to this proposal. The cooperation of the State and Federal agencies in presenting the fish and wildlife phases of the development was quite persuasive.

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Interstate Interests

Questions were raised as to the effect of the authorization, construction, and operation of the project on future irrigation development in the California area. All of the issues presented were happily resolved at a conference of commissioners representing both Nevada and California, who telegraphed joint recommendations for amendments that achieve the results sought without impairment of the project plan. The representatives of the two States are to be commended for their cooperative spirit.

Conservancy District Provision

Especial attention is directed to amendment No. 5, requiring that, prior to the delivery of water supplies, contracts shall have been entered into with one or more conservancy districts having the capacity, under Nevada law, to levy assessments upon all taxable real property within their boundaries to assist in making repayments. The committee reiterates its established approval of the conservancy district for several cogent reasons. First is that the security for repayment of the construction costs is enhanced; second, since the entire area will benefit from the multiple purpose features of the project, all property owners, cities, towns, and rural areas should be willing to make a limited contribution to the costs, while the irrigation and power users pay the major part of the reimbursable costs; and third, that the conservancy district program makes the project more truly a community enterprise.

Excess Land Provisions

Ample precedent exists for inclusion of amendment No. 5, which has the effect of exempting lands receiving supplemental water from the excess land provisions of the reclamation law. As far back as 1938, the Congress exempted the supplemental water lands of the Colorado-Big Thompson project (52 Stat. 764). In 1940, the Congress similarly exempted lands of the Truckee storage and the Humboldt projects in Nevada (54 Stat. 1219). In 1952 the Congress also exempted the lands of the San Luis Valley project, Colorado, from the excess land provisions of the reclamation law (Public Law 415, 82d Cong., 2d sess.). Supplemental water lands under the Washoe project are in the same category as those covered by the congressional precedents cited and the committee concludes the exemption in this instance is fully justified as preserving the principle of acreage limitations of the reclamation law.

Conclusions of the Committee

The committee finds that the project has been thoroughly planned and well engineered by the Bureau of Reclamation. Local interests concerned have cooperated fully in assuring satisfaction with the financial arrangements for repayment with the exception of the flood-control allocations heretofore discussed in this report. While the hydroelectric power sale rate outlined in the reports is 9 mills per kilowatt-hour, it is noted that there is full assurance of a market for the output of the plants and that this phase of the multiple-purpose development will

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make a substantial contribution to the future of the area from every standpoint. Construction should proceed promptly especially on the facilities to provide flood control and power production pending the formation of the conservancy district required by the bill as the contracting agency for repayments.

On authorization of the Washoe project, the Corps of Engineers can proceed with the flood-protection work on the Truckee River and its tributaries by the Flood Control Act of 1954. The two projects should go along simultaneously to achieve the most effective results.

Upon consideration of all of the factors presented at the public hearings and other information provided, the committee recommends enactment of S. 497 and makes this report a part of the legislative history of the measure as a guide in administrative interpretations of the measure when enacted by the Congress.

Executive Communications

The following communications from the executive departments bearing on S. 497 and a companion bill before the House of Representatives are as follows:

Department of the Interior,
Office of the Secretary,
Washington, D. C., September 20, 1955.

Hon. James E. Murray,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

My Dear Senator Murray: A report has been requested from this Department on S. 497, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California.

We recommend that S. 497 be enacted.

The details of the plan of development which enactment of this bill would authorize to be undertaken are set out in the planning report of this Department for the Washoe project, which was transmitted to the President of the Senate and the Speaker of the House of Representatives on June 6. The report will be readily available to your committee since it is being published as House Document No. 181, 84th Congress. I ask that that report be considered as a part of this report on S. 497. The planning report, it will be noted, has attached to it copies of the comments we have received from the States and Federal agencies to which it was submitted pursuant to the Flood Control Act of 1944 and interagency agreements. It also includes the comments of the Bureau of the Budget contained in its letter of May 20.

In brief, the plans for the Washoe project contemplate the regulation of the East Carson and Little Truckee Rivers to supplement the present irrigation water supply for 38,160 acres in the Carson Valley, to furnish a full supply of such water for 5,100 acres in that area, and to supplement the present supply for 6,300 acres in the Empire, Dayton, and Fort Churchill areas. They also contemplate the alleviation of seepage conditions on approximately 31,000 acres of land in the Carson Valley and Truckee meadows and the installation of 2 powerplants with a total capacity of 28,000 kilowatts and a net average annual increase in the locality of approximately 91,370,000 kilo-

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watt-hours. Accomplishment of the plan will, moreover, reduce flood damages, have incidental beneficial effects in the fish and wildlife and recreational fields, and firm up, during extended dry periods, the existing irrigation water supplies for lands under the Newlands and Truckee River storage projects. The operation of the Washoe project will be coordinated with that of these projects and of works to be constructed for flood control purposes in the Truckee Valley by the Corps of Engineers. Construction of the latter, authorized by the Flood Control Act of 1954 (68 Stat. 1248, 1264), was expressly made contingent on authorization of the Washoe project. No Indian lands are involved under the Washoe project, but full allowance has been made for the decreed water rights of such lands.

The total estimated cost of constructing the Washoe project, in terms of July 1954 prices, is approximately $41,558,000. Of this amount, about 86 percent is allocated to reimbursable functions (irrigation, drainage, and commercial power), the remainder to nonreimbursable functions (principally flood control). It is estimated that, following suitable development periods for various project lands, irrigation and drainage interests would repay about $8,200,000 of the irrigation and drainage allocation under 50-year repayment contracts and that the remainder of this allocation would be returned from net power revenues accruing in the 14 years following payment of the power allocation and interest at 2.5 percent on the unamortized balance thereof. The irrigation and drainage repayment would thus be completed in 52 years after the close of the last development period. The ratio of the evaluated annual benefits of the project to its annual costs is estimated at 1.8 to 1.0.

We suggest the following amendments to the bill:

(1) Page 1, line 6, the substitution of "thirty-one" for "thirty-five".

(2) Page 2, line 23, the insertion after the word "such" of the expression "block over a period of not more than fifty years, exclusive of any". This will merely supply a few words which appear to have been inadvertently omitted from the bill.

(2) Page 3, limes 19–24, the substitution for section 3's present text of language along the following lines:

"The Secretary is authorized to investigate, plan, construct, operate, and maintain minimum basic facilities for access to, and for the maintenance of public health and safety and the protection of public property on, lands withdrawn or acquired for the development of the Washoe project, to conserve the scenery and natural, historic, and archeologic objects, and to provide for public use and enjoyment of the same and of the water areas created by this project by such means as are consistent with its primary purposes. The Secretary is authorized to withdraw from entry or other disposition under the public land laws such public lands as are necessary for the construction, operation, and maintenance of said minimum basic facilities and for the other purposes specified in this section and to dispose of such lands to Federal, State, and local governmental agencies by lease, transfer, exchange, or conveyance upon such terms and conditions as will best promote their development and operation in the public interest. The Secretary is further authorized to investigate the need for acquiring other lands for said purposes and to report thereon to the Committees on Interior and Insular Affairs of the Senate and House of Representatives, but no lands shall be acquired solely for any of these pur-

poses other than access to project lands and the maintenance of public health and safety and the protection of public property thereon without further authorization by the Congress. All costs incurred pursuant to this section shall be nonreimbursable and nonreturnable."

The Bureau of the Budget has advised that there would be no objection to the submission of this report to your committee. Its comments on S. 497 have been furnished you directly by letter dated September 8. As we pointed out in our letters of June 6 transmitting the planning report to the Congress, the comments raise problems which, because they are frequently associated with other proposed reclamation projects, the Congress may wish to consider policywise in connection with the Washoe project.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., January 28, 1955.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: This will acknowledge Mr. Stewart French's letter of January 20, 1955, requesting the views of this Bureau on S. 497, to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California.

The Department of the Interior has not yet submitted its final report on the above project along with the views and comments of the affected States and other interested Federal agencies. Until the final report has been received, under procedures prescribed in Executive Order 9384, the Bureau has no basis for appraising the merits of the Washoe project.

Accordingly, it is recommended that the committee defer action on this bill until a project report has been submitted under established procedures.

Sincerely yours,

DONALD R. BELCHER,
Assistant Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., May 20, 1955.

The honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This will acknowledge your letter of April 20, 1955, requesting advice concerning the relationship to the program of the President of your report on the Washoe project, Nevada and California.

This multiple-purpose project would provide a full water supply for 5,100 new acres and supplemental water for 44,460 acres presently under irrigation. It would firm up water supplies for 26,800 acres in the Truckee River storage project, and 70,000 acres in the Newlands

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project by providing holdover storage for use during dry cycles. There would also be power, drainage, flood control, fish and wildlife, public health, and recreational benefits.

The total estimated cost is about $41,600,000 of which $35,700,000 is reimbursable, $17,400,000 being tentatively allocated to irrigation and drainage, and $18,300,000 to power. Nonreimbursable allocations include $5,800,000 to flood control and $100,000 to recreation. The benefit-cost ratios are 1.8 and 1.4 for total and direct benefits respectively, based on amortization in 100 years at 2.5 percent. If amortized over 50 years these ratios would be 1.5 and 1.1.

It is estimated that the water users would repay $8,180,000, without interest, in 50 years or about 47 percent of the allocation to irrigation and drainage. On the basis of an average selling rate of 9 mills per kilowatt-hour, as contemplated in the report, the power investment would be repaid with interest at 2.5 percent in about 50 years. Thereafter net revenues from power sales would be applied toward payment of the irrigation and drainage investment that is beyond the ability of the water users to repay. In this way the entire reimbursable irrigation investment would be repaid, without interest, in about 65 years.

The State of Nevada endorses the project, requests immediate authorization, and states that enabling legislation should provide that (1) a review be made of cost allocations prior to construction; (2) flood control benefits be based on present prices; (3) preservation, propagation, and development of fish and wildlife be declared a purpose of the project and their development be nonreimbursable; (4) continued studies be made of Lake Tahoe high water elevations under project operation to determine damages to shore property and possible relief therefrom; and (5) excess land provisions of Federal reclamation laws not be made applicable to lands receiving supplemental water.

The Truckee Public Utility District, California, protests direct tunnel diversion of waters as proposed and states that such diversions would seriously and detrimentally affect the natural resources of eastern Nevada County. The California State agencies recommend that (1) new regulatory storage and water supply for the project be based upon runoff of streams as impaired by present and future use in the areas of origin in California; (2) the amount of water available to the project be completely determined and defined through a compact; (3) the Stampede Reservoir be so constructed that it can be enlarged to care for future water requirements of lands in California, and sufficient land be acquired adjacent to the reservoir to permit adequate development of recreational facilities; (4) a dependable water supply be provided to lands in the Carson Valley, Calif., as well as to those in the same valley in Nevada; (5) Lake Tahoe storage be controlled to solve the problems of lake shore property owners with regard to lake levels which would cause property damage; (6) adequate operation provisions be included to maintain fish and wildlife and protect migrating deer.

The Department of the Army, Corps of Engineers, finds that $6,400 of the $288,900 annual flood control benefits consist of secondary benefits comparable to indirect irrigation and drainage benefits and suggests that final allocation be based only on direct flood control benefits.

The Department of Agriculture comments on the high Federal investment of $851 per irrigated acre. It estimates that the Treasury would recover about 26 percent of its investment in irrigation and drainage, including interest at 2.5 percent over 50 years, and about 69.5 percent of its total project investment, with interest at 2.5 percent during a total repayment period of 65 years. The Department questions whether the value of power should not be based upon an interest rate comparable to that used for the project (2.5 percent). The alternate power source costs as used in the report average 11.8 mills per kilowatt-hour which is higher than the current rate for power sales in the area (shown as 9.8 mills in the report). The Department also questions the soundness of basing benefits on assumed full use of water.

The Federal Power Commission, on the basis of equivalent amounts of power from a modern privately financed steam electric plant, esstimates the value of power to be $32 per kilowatt per year for capacity and 5.0 mills per kilowatt-hour for energy which would result in a benefit-cost ratio, for power, of 1.05. This would appear to indicate that the financial feasibility of the powerplants may be marginal. The Commission also states that inflow into the existing Federal Boca Reservoir would be reduced 50 percent and questions why this impairment should not be charged as an additional cost of the project.

The Bureau of the Budget believes that, where repayments from irrigation beneficiaries together with any net revenues of any other purposes are insufficient to provide full repayment of irrigation costs within 50 years, the report should propose authorization subject to (1) identification of the initial investment costs which are in excess of the sum of the anticipated repayments within 50 years, exclusive of permissible development periods; (2) the condition that such excess initial investment costs be borne by the Federal Government as a contribution to irrigation; and (3) the inclusion in the letter of transmittal to the Congress of proposed authorizing language stating the amount and composition of such contribution.

The Bureau of the Budget also believes that where proposed recreational facilities are not of national significance, as in the case of the Washoe project, they should not be included in the project report unless States and local governments agree to repay the costs. However, such minimum basic facilities and services, as may be needed for the general protection and operation of the project area and for the accommodation or protection of the visiting public, should be considered necessary adjuncts to construction and operation, and their costs should be allocated to the major purposes of the project.

With respect to fish and wildlife, the benefits of which the report states are conditional and not evaluated and the preservation and propagation of which the Commissioner states is one of the project purposes and will be assured to the greatest extent possible, the Bureau of the Budget has the following comment. We believe that the costs for correcting damages to fish and wildlife caused by the project should be treated as part of the construction costs and allocated to the various purposes in the same manner as other damages, including relocations. To the extent that the works to be provided are in the nature of an expansion of the fish and wildlife resources of the area they would fall into either of two classes. On those of a purely local nature the cost should be fully reimbursed by States, local govern-

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ments, or local interests. If of national significance, they should be authorized and financed as a part of the regular fish and wildlife program or authorizing language should be submitted to the Congress, stating the maximum amount of such costs which would be borne by the Federal Government.

The report includes estimates of secondary benefits without which the benefit-cost ratio of the project would be only slightly greater than unity. However, there is no provision for recapturing the costs of providing these benefits. It is believed that consideration should be given to a requirement for the establishment of conservancy districts as a means of insuring maximum justifiable contribution or repayment by those to whom the secondary benefits will accrue.

In view of the essential requirements of a firm water supply, it would seem appropriate that any authorization should be made contingent upon a complete determination and division of available water supplies, through agreements, compacts, or otherwise, that are acceptable to the Secretary of the Interior as regards the Washoe project.

Accordingly, you are advised that (1) subject to your consideration of the above comments, there would be no objection to the submission of your report to the Congress, and (2) we would recommend that any legislation authorizing the proposed project incorporate the conditions set forth above concerning the Federal contribution to irrigation costs, provision of recreational and fish and wildlife facilities and the establishment of a conservancy district. No commitment, however, can be made at this time as to when any estimate of appropriation would be submitted for construction of the project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

It is requested that a copy of this letter be included with your report when it is submitted to the Congress.

Sincerely yours,

DONALD R. BELCHER,
Assistant Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., September 8, 1955.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: This is in further reply to your request for the views of the Bureau of the Budget on S. 497, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California.

The proposed legislation would provide for furnishing water to irrigate approximately 50,000 acres in the Carson and Truckee River Basins, Nev.; draining about 35,000 acres in this basin; and firming existing water supplies for irrigation lands in the Truckee River storage project and the Newlands project. It would also provide for power, flood control, and other benefits. The construction works of the proposed Washoe project would include the Stampede and Watash-

eamu Reservoirs, together with other necessary works for the impounding, diversion, and delivery of water, generation and transmission of hydroelectric power, and drainage purposes.

S. 497 specifies that contracts for repayment of the reimbursable costs for irrigation and drainage may include a variable payment formula which, being based on full repayment within the stated period of repayment under normal conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the contracting organizations to pay. The bill, however, is silent on the period of years within which these reimbursable costs would be paid. It must be assumed, therefore, that the period of repayment could be extended indefinitely. A further provision regarding repayment requires that all net revenues derived from the sale of commercial power would be applied, first to the amortization of that portion of the cost of constructing the project which is allocated to commercial power, including interest, and thereafter to the amortization of that portion of the cost of constructing the project allocated to irrigation and drainage but which is beyond the ability of the contracting irrigation and drainage organizations to repay. Here, again, there is no indication of the period of repayment.

With respect to recreation, the bill provides that minimum basic facilities for the visiting public at the major dam structures would be constructed on a nonreimbursable basis, if responsible local interests agree to assume the operation and maintenance of such facilities.

The views of the Bureau of the Budget on the project are expressed in detail in our letter of May 20, 1955, to the Secretary of the Interior, a copy of which is attached. In summary, it is considered that: (1) the power investment should be repaid, with interest, within 50 years; (2) the bill should require that conservancy districts should be established as a means of insuring maximum justifiable contribution or repayment by those to whom the estimated secondary benefits of the project are expected to accrue; (3) reimbursable irrigation and drainage costs in excess of repayments from all sources in 50 years should be clearly set forth in legislation to authorize the project and should be borne by the Federal Government as a contribution to irrigation and drainage; and (4) recreation features should be limited to such minimum basic facilities and services as may be needed for the general protection and operation of the project area and for the accommodation or protection of the visiting public and should be considered as necessary adjuncts to the construction and operation of the project, with their costs allocated to the major purposes of the project.

Accordingly, we would recommend that S. 497 be amended in accordance with the views expressed above.

Sincerely yours,

PERCY RAPPAPORT,
Assistant Director.

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DEPARTMENT OF THE ARMY,
Washington, D. C., January 17, 1956.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of the Army with respect to S. 497, 84th Congress, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California.

The Department of the Army has considered the above-mentioned bill. The purpose of the bill is to authorize the Secretary of the Interior to construct and operate the Washoe reclamation project in the Carson and Truckee River Basins, Nev. and Calif., for irrigation, drainage, water supply, flood control and power purposes, the project to consist of two principal reservoirs at the Stampede and Watasheamu sites, together with appurtenant facilities.

The Flood Control Act of 1954 authorizes a project for flood protection on Truckee River and tributaries in accordance with recommendations of the Chief of Engineers, contingent upon authorization of the Washoe reclamation project. The works which would be authorized by S. 497 appear compatible with the flood-control works authorized in 1954.

Under existing procedure, when a final cost allocation is made, the Corps of Engineers will participate with the Bureau of Reclamation with respect to the nonreimbursable allocation to flood control.

The bill would authorize to be appropriated the sum of $41,700,000 for construction of the Washoe project.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

(Signed) WILBER M. BRUCKER,
Secretary of the Army.

The following letter concerning a companion bill to S. 497, addressed to Mr. Engle, chairman, Committee on Interior and Insular Affairs, House of Representatives, contains a provision relating to fish and wildlife resources, which has been incorporated into the bill.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., March 27, 1956.

Hon. CLAIR ENGLE,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. ENGLE: A report has been requested from this Department on H. R. 6028, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California.

We recommend, subject to your consideration of the comments contained in this report and to the amendments suggested herein, that H. R. 6028 be enacted.

The details of the plan of development which enactment of section 1 of this bill would authorize to be undertaken are set out in the planning report of this Department for the Washoe project, which was transmitted to the President of the Senate and the Speaker of the House of Representatives on June 6, 1955. The report will be readily available to your committee since it has been published as House Document No. 181, 84th Congress. I ask that that report be considered as a part of this report on H. R. 6028. The planning report, it will be noted, has attached to it copies of the comments we have received from the States and Federal agencies to which it was submitted pursuant to the Flood Control Act of 1944 and interagency agreement. It also includes the comments of the Bureau of the Budget contained in its letter of May 20, 1955.

In brief, the plans for the Washoe project contemplate the regulation of the East Carson and Little Truckee Rivers to supplement the present irrigation water supply for 38,160 acres in the Carson Valley, to furnish a full supply of such water for 5,100 acres in that area, and to supplement the present supply for 6,300 acres in the Empire, Dayton, and Fort Churchill areas. They also contemplate the alleviation of seepage conditions on approximately 31,000 acres of land in the Carson Valley and Truckee Meadows and the installation of 2 powerplants with a total capacity of 28,000 kilowatts and a net average annual increase in the locality of approximately 91,370,000 kilowatt-hours. Accomplishment of the plan will, moreover, reduce flood damages, have incidental beneficial effects in the fish and wildlife and recreational fields, and firm up, during extended dry periods, the existing irrigation water supplies for lands under the Newlands and Truckee River storage projects. The operation of the Washoe project will be coordinated with that of these projects and of works to be constructed for flood-control purposes in the Truckee Valley by the Corps of Engineers. Construction of the latter, authorized by the Flood Control Act of 1954 (68 Stat. 1248, 1264), was expressly made contingent on authorization of the Washoe project. No Indian lands are involved under the Washoe project, but full allowance has been made for the decreed water rights of such lands.

H. R. 6028 provides (p. 3, lines 5–10) for exemption of lands receiving supplemental water under the Washoe project from the excess land and antispeculation provisions of the Federal reclamation laws. Your attention is invited to the statement in the report of the Presidential Advisory Committee on Water Resources Policy dated December 22, 1955, at page 34:

"There should be no interest-free funds provided on Federal investment in irrigation works supplying water to farmland in excess of a family-size farm. The committee believes that there should be more flexibility in the determination of what constitutes a family-size farm."

In view of this, we recommend that the provision of the bill just referred to be deleted and that your committee give consideration to separate general legislation which would permit implementation of the views of the Presidential Advisory Committee with respect to flexibility in the determination of what constitutes a family-size farm.

H. R. 6028 includes, in section 1, the "development of fish and wildlife resources" in the enumeration of project purposes. This is consistent with the Department's planning report on the project. In that report, the preservation and propagation of fish and wildlife resources is listed as one of the purposes of the project.

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Section 4 of H. R. 6028 provides that facilities shall be provided for the development of the fish and wildlife resources of the project area, including facilities to permit an increased minimum water release from Lake Tahoe and the restoration of the Pyramid Lake fishery. That section also provides that the cost of such facilities, including operation and maintenance, shall be nonreimbursable.

The Fish and Wildlife Service of this Department has prepared a report pursuant to the requirements of section 2 of the Coordination Act of August 14, 1946 (60 Stat. 1080). This report is appended to the Department's planning report. According to that report of the Fish and Wildlife Service, there is tremendous demand for fishing and hunting opportunities in the project area. Fishing and hunting are among the leaders in the recreational resources of this famed recreational area. Because of the interstate character of the project area and because of the fame of Lake Tahoe and adjoining land and water areas for recreation, the fish and wildlife resources of the project area are considered by this Department to be of national significance. Moreover, the project area contains significant waterfowl habitat. The Federal Government has responsibilities for the welfare of migratory waterfowl under statutes enacted pursuant to international treaties with Great Britain and Mexico designed to provide for the welfare of these species. We therefore feel that provision for development of fish and wildlife resources of the project area, including Pyramid Lake and the streams below Lake Tahoe, is appropriate in order to provide for a balanced project.

One of the purposes of the bill is to restore the fishery of Pyramid Lake, once world famous for its large cutthroat trout which were used by sportsmen, and also formed a major contribution to the livelihood of Indians of the Pyramid Lake Indian Reservation. Natural reproduction by game fish of the lake is greatly hindered at present, and sometimes entirely prevented, by an insufficient flow in the Truckee River below Derby Dam. Gradual increases in upstream diversion from the river and evaporation losses have resulted in severe lowering of the lake level, which, together with flow depletion, makes exit from the lake by spawning runs of trout difficult or impossible.

The present condition of Pyramid Lake is due in large measure to the construction by the Federal Government of the Newlands project one of the first Federal reclamation projects and by irrigation works for the Pyramid Lake Indian Reservation, yet no compensatory measures to maintain the fishery of the lake were ever taken by the Federal Government. It is hoped that, through establishment of a fish hatchery, increase of flows in the Truckee River and channel improvements at the mouth of the river, that a trout fishery can be restored. Restoration of the Pyramid Lake trout fishery to its full potential value is deemed to be of national interest and importance, because among other things, of the adverse results of previous Federal participation in the development of the waters affecting the fishery of the lake.

The total estimated cost of constructing the Washoe project exclusive of the works covered by section 4 is approximately $41,558,000 in terms of July 1954 prices. Of this amount, about 86 percent is allocated to reimbursable functions (irrigation, drainage, and commercial power), the remainder to nonreimbursable functions (principally flood control). It is estimated that, following suitable develop-

ment periods for various project lands, irrigation and drainage interests would repay about $8,200,000 of the irrigation and drainage allocation under 50-year repayment contracts and that the remainder of this allocation would be returned from net power revenues accruing in the 14 years following payment of the power allocation with interest at 2.5 percent on the unamortized balance thereof. The irrigation and drainage repayment would thus be completed in 52 years after the close of the last development period. The ratio of the evaluated annual benefits of the project to its annual costs is estimated at 1.8 to 1.0.

The cost of the facilities for which provision is made in section 4 of the bill is estimated at $2 million. These facilities would include a fish hatchery to provide for restoration of the Pyramid Lake fishery and for maintenance of fishing in tributary streams and a dam for supplemental water storage at the Twin Valley site on the north fork of Prosser Creek in California to provide sustained flows in Truckee River or, as an alternate to this dam, a reregulating dam in the Truckee River near Wadsworth, Nev.

We suggest the following amendments to the bill:

(1) Page 1, line 6, the substitution of "thirty-one" for "thirty-five".

(2) Page 2, line 24, the insertion after the word "such" of the expression "block over a period of not more than fifty years, exclusive of any". This will merely supply a few words which appear to have been inadvertently omitted from the bill.

(3) Page 3, line 25, the substitution of language along the following lines for the present text of section 3:

"The Secretary is authorized to investigate, plan, construct, operate, and maintain minimum basic facilities for access to, and for the maintenance of public health and safety and the protection of public property on, lands withdrawn or acquired for the development of the Washoe project, to conserve the scenery and natural, historic, and archeologic objects, and to provide for public use and enjoyment of the same and of the water areas created by this project by such means as are consistent with its primary purposes. The Secretary is authorized to withdraw from entry or other disposition under the public land laws such public lands as are necessary for the construction, operation, and maintenance of said minimum basic facilities and for the other purposes specified in this section and to dispose of such lands to Federal, State and local governmental agencies by lease, transfer, exchange, or conveyance upon such terms and conditions as will best promote their development and operation in the public interest. The Secretary is further authorized to investigate the need for acquiring other lands for said purposes and to report thereon to the Committees on Interior and Insular Affairs of the Senate and House of Representatives, but no lands shall be acquired solely for any of these purposes other than access to project lands and the maintenance of public health and safety and the protection of public property thereon without further authorization by the Congress. All costs incurred pursuant to this section shall be nonreimbursable and nonreturnable."

(4) Page 4, line 11, the addition of a sentence reading as follows:

"The cost to the Federal Government of constructing these facilities shall not exceed $2,000,000. This amount shall not include the cost of measures undertaken, pursuant to section 2 of the Act of August 14, 1946 (60 Stat. 1080, 16 U. S. C., sec. 661a), to mitigate damages to fish and wildlife resources occasioned by the Washoe project as authorized by section 1 of this Act."

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(5) Page 4, line 14, the substitution of "$43,700,000" for "$43,500,000".

The Bureau of the Budget has advised that there would be no objection to the submission of this report to your committee. Its comments on S. 497, a bill similar to H. R. 6028, are attached. As we pointed out in our letters of June 6, 1955, transmitting the planning report to the Congress, the comments raise problems which, because they are frequently associated with other proposed reclamation projects, the Congress may wish to consider policywise in connection with the Washoe project.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., September 8, 1955.

The honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This is in reply to Assistant Secretary Aandahl's letter of June 21, 1955, requesting advice concerning the relationship to the program of the President of your proposed report to the Senate Committee on Interior and Insular Affairs on S. 497, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California.

While there is no objection to the submission of whatever report you deem appropriate, the views of the Bureau of the Budget regarding S. 497 are set forth in the attached copy of our letter to the chairman of the Senate Committee on Interior and Insular Affairs.

Sincerely yours,

ROGER W. JONES,
Assistant Director for Legislative Reference.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., September 8, 1955.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: This is in further reply to your request for the views of the Bureau of the Budget on S. 497, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California.

The proposed legislation would provide for furnishing water to irrigate approximately 50,000 acres in the Carson and Truckee River Basins, Nev.; draining about 35,000 acres in this basin; and firming existing water supplies for irrigation lands in the Truckee River storage project and the Newlands project. It would also provide for power, flood control, and other benefits. The construction works for the proposed Washoe project would include the Stampede and Watasheamu Reservoirs, together with other necessary works for the impounding, diversion, and delivery of water, generation and transmission of hydroelectric power, and drainage purposes.

S. 497 specifies that contracts for repayment of the reimbursable costs for irrigation and drainage may include a variable payment formula which, being based on full repayment within the stated period of repayment under normal conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the contracting organizations to pay. The bill, however, is silent on the period of years within which these reimbursable costs would be paid. It must be assumed, therefore, that the period of repayment could be extended indefinitely. A further provision regarding repayment requires that all net revenues derived from the sale of commercial power would be applied, first, to the amortization of that portion of the cost of constructing the project which is allocated to commercial power, including interest, and thereafter to the amortization of that portion of the cost of constructing the project allocated to irrigation and drainage but which is beyond the ability of the contracting irrigation and drainage organizations to repay. Here, again, there is no indication of the period of repayment.

With respect to recreation, the bill provides that minimum basic facilities for the visiting public at the major dam structures would be constructed on a nonreimbursable basis, if responsible local interests agree to assume the operation and maintenance of such facilities.

The views of the Bureau of the Budget on the project are expressed in detail in our letter of May 20, 1955, to the Secretary of the Interior, a copy of which is attached. In summary, it is considered that: (1) the power investment should be repaid, with interest, within 50 years; (2) the bill should require that conservancy districts should be established as a means of insuring maximum justifiable contribution or repayment by those to whom the estimated secondary benefits of the project are expected to accrue; (3) reimbursable irrigation and drainage costs in excess of repayments from all sources in 50 years should be clearly set forth in legislation to authorize the project and should be borne by the Federal Government as a contribution to irrigation and drainage; and (4) recreation features should be limited to such minimum basic facilities and services as may be needed for the general protection and operation of the project area and for the accommodation or protection of the visiting public and should be considered as necessary adjuncts to the construction and operation of the project, with their costs allocated to the major purposes of the project.

Accordingly, we would recommend that S. 497 be amended in accordance with the views expressed above.

Sincerely yours,

PERCY RAPPAPORT,
Assistant Director.

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84TH CONGRESS
2d Session

SENATE

REPORT
No. 1830

REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

REPORT

OF THE

JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES CONGRESS OF THE UNITED STATES

PURSUANT TO

SECTION 601 OF THE REVENUE ACT OF 1941

ON

UNEXPENDED BALANCES
Department of Defense

APRIL 24, 1956.—Ordered to be printed

UNITED STATES
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CONGRESS OF THE UNITED STATES

JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

CREATED PURSUANT TO SECTION 601 OF THE REVENUE ACT OF 1941

HARRY FLOOD BYRD, Senator from Virginia, *Chairman*
CLARENCE CANNON, Representative from Missouri, *Vice Chairman*

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GEORGE M. HUMPHREY, *Secretary of the Treasury*
ROWLAND R. HUGHES, *Director of the Budget*

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84TH CONGRESS, 2d Session | SENATE | REPORT No. 1830

UNEXPENDED BALANCES, DEPARTMENT OF DEFENSE

APRIL 24, 1956.—Ordered to be printed

Mr. BYRD, from the Joint Committee on Reduction of Nonessential Federal Expenditures, submitted the following

REPORT

[Pursuant to Sec. 601 of the Revenue Act of 1941]

INTRODUCTION

This is the first of a series of three reports by the Joint Committee on Reduction of Nonessential Federal Expenditures showing estimated balances available to Federal agencies by budget appropriation accounts.

This first report summarizes balances in all Federal accounts, except trust and deposit fund accounts, and details balances in military accounts. The second report will set forth balances in foreign aid accounts. The third report will show balances in domestic-civilian accounts.

All figures in this report are based upon figures in the budget document for fiscal year 1957 (H. Doc. 256, 84th Cong., 2d sess.).

SUMMARY OF ALL BALANCES

Federal agencies, military and other, will start fiscal year 1957, on July 1, 1956, with unexpended balances in appropriations and other spending authority enacted in prior years totaling $74.6 billion. This is exclusive of new appropriations and authorizations to be enacted during the 2d session of the 84th Congress for fiscal year 1957.

The President in his budget message of January 16, 1956, requested new appropriations and other spending authority totaling $66.3 billion for fiscal year 1957. If this request should be fully enacted total funds available for expenditure by Federal agencies at the beginning of fiscal year 1957 would be $140.9 billion.

The President estimated in the budget document that Federal expenditures in fiscal year 1957 would total $65.9 billion, of which $42.7 billion would be spent from new appropriations and authorizations enacted in the 2d session of the 84th Congress, and $23.2 billion would be spent out of unexpended balances in old authorizations enacted in prior years.

Of the $74.6 billion in unexpended balances to be carried over into fiscal year 1957, on July 1, 1956, $40.9 billion will be obligated and $33.7 billion will be unobligated.

Assuming full enactment of the President's requests for new appropriations and other expenditure authorizations, $100 billion would be unobligated as of the beginning of the new fiscal year.

Of the new appropriations and authorizations, $23.6 billion would be carried over into fiscal year 1958, beginning July 1, 1957, as unexpended balances for expenditure in future years. Total unexpended balances at the start of fiscal year 1958, on July 1, 1957, are estimated in the President's budget at $73.7 billion, of which $45.6 billion would be obligated and $28.1 billion would be unobligated. Appropriations enacted in the next session of Congress would be added to the unobligated total.

These balances, which include some standby authority to expend from public debt receipts contingent upon economic factors, are available in the following categories of spending authority.

TABLE I.—*Unexpended balances available at start of fiscal years 1957 and 1958, by types of authority, showing amounts obligated and unobligated*

[In millions of dollars]

Types of authority	Fiscal year 1957					Fiscal year 1958 unexpended balances, start of year		
	Unexpended balances, start of year			New obligational authority	Total available for expenditure	Obligated	Unobligated	Total
	Obligated	Unobligated	Total					
Appropriations	33,090	14,352	47,442	57,867	105,309	30,775	10,193	40,968
Reappropriations				20	20			
Appropriations for liquidation of prior contract authorizations				−984	−984			
Authorizations to expend from public debt receipts	6,001	13,771	19,772	482	20,254	6,190	11,850	18,040
Contract authorizations	1,287	1,536	2,823	274	3,097	1,439	606	2,045
Revolving and management funds	409	3,964	4,373		4,373	582	4,619	5,200
Authorizations proposed for later transmission	110	54	164	8,632	8,796	6,600	851	7,451
Total	40,897	33,676	74,574	66,291	140,865	45,586	28,118	73,705

NOTE.—Figures are rounded and will not necessarily add to totals.

MILITARY BALANCES

Expenditures by the component departments of the Defense Department and the Office of the Secretary of Defense are made through 74 appropriation and revolving fund accounts. Civil functions are excluded.

The fiscal situation of the Department of Defense in terms of balances in old authority for expenditure and requests for new authorizations, exclusive of those for civil functions, as compiled from the President's budget, is summarized as follows:

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TABLE II.—*Summary of funds available for expenditure by the Department of Defense, by types of authority, start of the year, fiscal years 1957 and 1958*

[In millions of dollars]

Types of authority	Unexpended balances in direct authorizations		Unexpended balances in reservations—transfers of prior year authorizations for foreign aid	Total unexpended balances in direct authorizations and reservations	New direct appropriations	Total [1]
	Obligated	Unobligated				
Fiscal year 1957 (July 1, 1956):						
Appropriations	26,721	9,757	3,065	39,543	34,907	74,450
Contract authorizations		39		39		39
Revolving and management funds	−180	2,725	40	2,584		2,584
Total	26,540	12,521	3,105	42,167	34,907	77,074
Fiscal year 1958 (July 1, 1957):						
Appropriations	27,290	7,517	1,904	36,711		
Revolving and management funds	−1	3,294	15	3,308		
Total	27,289	10,811	1,919	40,019		

[1] Exclusive of funds to be reserved from 1957 foreign aid appropriations yet to be enacted.

NOTE.—Figures are rounded and will not necessarily add to totals.

Total balances, Department of Defense

1. Military agencies will start fiscal year 1957 on July 1 with unexpended balances in old direct appropriations and other expenditure authorizations totaling $39.1 billion.

2. Military agencies will have additional balances available to them in transfers from old foreign military assistance funds of $3.1 billion.

3. Exclusive of new money to be appropriated in this session of Congress, military agencies will start the fiscal year with spending authority totaling $42.2 billion.

4. New appropriations requested for military agencies total $34.9 billion.

5. Assuming full appropriation of the request, military agencies will start fiscal year 1957 on July 1 with direct and indirect spending authority totaling $77.1 billion.

6. This total does not include additional funds to be transferred to military agencies during the coming year from new foreign military assistance appropriations.

7. Of the $77.1 billion-plus available to military agencies, it is estimated that they will spend $36.7 billion, and carry over an unexpended balance of more than $40 billion into fiscal year 1958.

8. Of the more than $40 billion unexpended balance in old authorizations at the start of fiscal year 1958, it is estimated $27.3 billion will be obligated and $12.7 billion will be unobligated. This compares with the unexpended balance at the start of fiscal year 1957 of $42.2 billion, $26.6 billion obligated and $15.5 billion unobligated.

BALANCES—BY COMPONENT DEPARTMENTS

The fiscal situation of the component departments within the Defense Department, in terms of balances in old authority for expenditure and requests for new appropriations and other expenditure authorizations, exclusive of those for civil functions, as compiled from the President's budget, is summarized as follows:

Office of the Secretary and interservice activities

1. The Office of the Secretary of Defense, along with the interservice activities of the Department of Defense, will start fiscal year 1957 on July 1 with unexpended balances in old direct appropriations and other expenditure authorizations totaling $0.3 billion.

2. New appropriations requested for these activities total $0.6 billion.

3. Assuming full appropriation of the request these activities will start fiscal year 1957 on July 1 with spending authority totaling $0.9 billion.

4. Of the $0.9 billion available, it is estimated that the Office of the Secretary of Defense and the interservice activities will spend $0.7 billion, and carry over an unexpended balance of $0.2 billion into fiscal year 1958.

5. It is estimated that the $0.2 billion unexpended balance in old authorizations at the start of fiscal year 1958 will all be obligated. This compares with the unexpended balance at the start of fiscal year 1957 of $0.3 billion, $0.2 billion obligated and $0.1 billion unobligated.

Department of the Army

1. The Department of the Army will start fiscal year 1957 on July 1 with unexpended balances in old direct appropriations and other expenditure authorizations totaling $8.5 billion.

2. The Department of the Army will have additional balances available to it in transfers from old foreign military assistance funds of $0.7 billion.

3. Exclusive of new money to be appropriated in this session of Congress, the Department of the Army will start the fiscal year with spending authority totaling $9.2 billion.

4. New appropriations requested for the Department of the Army total $7.7 billion.

5. Assuming full appropriation of the request, the Department of the Army will start fiscal year 1957 on July 1 with direct and indirect spending authority totaling $16.9 billion.

6. This total does not include additional funds to be transferred to the Department of the Army during the coming year from new foreign military assistance appropriations.

7. Of the $16.9 billion available to the Department of the Army, it is estimated that it will spend $9.0 billion, and carry over an unexpended balance of $7.7 billion into fiscal year 1958.

8. Of the $7.7 billion unexpended balance in old authorizations at the start of fiscal year 1958, it is estimated $5.1 billion will be obligated and $2.6 billion will be unobligated. This compares with the unexpended balance at the start of fiscal year 1957 of $9.2 billion, $4.8 billion obligated and $4.4 billion unobligated.

Department of the Navy

1. The Department of the Navy will start fiscal year 1957 on July 1 with unexpended balances in old direct appropriations and other expenditure authorizations totaling $12.5 billion.

2. The Department of the Navy will have additional balances available to it in transfers from old foreign military assistance funds of $0.2 billion.

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3. Exclusive of new money to be appropriated in this session of Congress, the Department of the Navy will start the fiscal year with spending authority totaling $12.7 billion.

4. New appropriations requested for the Department of the Navy total $10.0 billion.

5. Assuming full appropriation of the request, the Department of the Navy will start fiscal year 1957 on July 1 with direct and indirect spending authority totaling $22.7 billion.

6. This total does not include additional funds to be transferred to the Department of the Navy during the coming year from new foreign military assistance appropriations.

7. Of the $22.7 billion available to the Department of the Navy it is estimated that it will spend $9.6 billion, and carry over an unexpended ba.ance of $12.9 billion into fiscal year 1958.

8. Of the $12.9 billion unexpended balance in old authorizations at the start of fiscal year 1958, it is estimated $7.8 billion will be obligated and $5.1 billion will be unobligated. This compares with the unexpended balance at the start of fiscal year 1957 of $12.7 billion, $7.4 billion obligated and $5.3 billion unobligated.

Department of the Air Force

1. The Department of the Air Force will start fiscal year 1957 on July 1 with unexpended balances in old direct appropriations and other expenditure authorizations totaling $17.9 billion.

2. The Department of the Air Force will have additional balances available to it in transfers from old foreign military assistance funds of $2.2 billion.

3. Exclusive of new money to be appropriated in this session of Congress, the Department of the Air Force will start the fiscal year with spending authority totaling $20.1 billion.

4. New appropriations requested for the Department of the Air Force total $15.4 billion.

5. Assuming full appropriation of the request, the Department of the Air Force will start fiscal year 1957 on July 1 with direct and indirect spending authority totaling $35.5 billion.

6. This total does not include additional funds to be transferred to the Department of the Air Force during the coming year from new foreign military assistance appropriations.

7. Of the $35.5 billion available to the Department of the Air Force, it is estimated that it will spend $17.3 billion, and carry over an unexpended balance of $18.3 billion into fiscal year 1958.

8. Of the $18.3 billion unexpended balance in old authorizations at the start of fiscal year 1958, it is estimated $13.3 billion will be obligated and $5 billion will be unobligated. This compares with the unexpended balance at the start of fiscal year 1957 of $20.1 billion, $14.3 billion obligated and $5.8 billion unobligated.

Proposed new legislation—not assigned to component departments

The President's budget document for fiscal year 1957 proposes appropriations under new legislation for new military public works and increased benefits for members of the Armed Forces totaling $1.1 billion. Expenditures are estimated at $0.2 billion. An unexpended balance of $0.9 billion, all obligated, will be carried over into

fiscal year 1958. The budget does not assign these figures to component departments of the Department of Defense and therefore they do not appear in the preceding summaries of the component departments. They are included in the above summary of the Department of Defense as a whole.

TABULAR PRESENTATION

The fiscal position of the component departments and offices of the Department of Defense, exclusive of civil functions, is shown in detail in two tables—(*a*) Table III. Funds available for expenditure, expenditures and balances, United States military departments, fiscal year 1957; and (*b*) Table IV. Unobligated balances in funds available to United States military departments, fiscal year 1957, which follow:

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17, 305, 012	1, 429, 000, 000	3, 993, 340, 933	920, [illegible]	[illegible]
12, 786, 183	780, 040, 000	1, 123, 771, 208	220, [illegible]	[illegible]
		81, 598, 263	32, [illegible]	
		18, 428, 000		
25, 752, 106	299, 000, 000	782, 492, 256	173, [illegible]	[illegible]
1, 648, 056	166, 680, 000	220, 468, 835	44, [illegible]	[illegible]
		40, 307, 787	8, [illegible]	
	61, 340, 000	69, 040, 000	5, [illegible]	
254, 907	130, 100, 000	152, 892, 436	20, [illegible]	[illegible]
	17, 000, 000	65, 681, 848	21, [illegible]	
	477, 000, 000	803, 793, 528	220, [illegible]	
55, 158	239, 720, 000	323, 785, 207	30, [illegible]	[illegible]
	102, 508, 000	120, 186, 391	11, [illegible]	
	1, 212, 000	3, 674, 033	2, [illegible]	
		556, 484, 792	330, [illegible]	
		1, 707, 517		
	16, 500, 000	17, 984, 699	1, [illegible]	
	7, 300, 000	9, 739, 260	2, [illegible]	
		118, 052		
			[illegible]	
			[illegible]	
		79, 597, 130	−15, [illegible]	
		30, 358, 803	5, [illegible]	
		314, 784, 735		
		162, 564, 445	4, [illegible]	
609, 603		433, 711, 228	−200, [illegible]	[illegible]
198, 724, 967	10, 605, 800, 000	22, 664, 333, 592	4, 121, [illegible]	[illegible]
			[illegible]	
198, 724, 967	10, 605, 800, 000	22, 664, 333, 592	4, 121, [illegible]	[illegible]
1, 636, 440, 186	5, 800, 000, 000	19, 392, 497, 105	5, 692, [illegible]	[illegible]
502, 889, 431	1, 177, 000, 000	3, 521, 061, 171	960, [illegible]	[illegible]
	610, 000, 000	1, 166, 203, 326	350, [illegible]	
105, 135, 520	3, 786, 000, 000	5, 299, 295, 660	990, [illegible]	[illegible]
	3, 727, 000, 000	3, 930, 950, 000	175, [illegible]	
	59, 300, 000	67, 018, 380	7, [illegible]	
	256, 700, 000	313, 055, 247	49, [illegible]	
		1, 449, 080, 073	1, 050, [illegible]	
		1, 322, 138	1, [illegible]	
	12, 000, 000	13, 877, 047	1, [illegible]	
		5, 845, 014	−5, [illegible]	
		29, 702, 522	15, [illegible]	
		335, 870, 738	−25, [illegible]	
2, 244, 465, 137	15, 430, 000, 000	35, 525, 779, 451	9, 265, [illegible]	[illegible]
	1, 117, 450, 000	1, 117, 450, 000		
3, 105, 448, 810	34, 907, 000, 000	77, 073, 851, 552	15, 762, [illegible]	[illegible]
			[illegible]	
3, 105, 448, 810	34, 907, 000, 000	77, 073, 851, 552	15, 762, [illegible]	[illegible]

balances no longer available. Includes $1,919,-
und reservations available to military depart-
s.

Source: Budget docum
"Program and financin
"Statement of source a
ondition," by military

TABLE III.—*Funds available for expenditure, expenditures and balances,*

Departments and appropriation accounts	Funds available for expenditure				
	Unexpended balances in direct authorizations as of July 1, 1956 (start of fiscal year 1957)			Reservations-transfers from foreign aid authorized in prior years	New aut inc appro fiscal
	Obligated	Unobligated	Total		
Office of Secretary of Defense:					
Salaries and expenses	$1,410,869		$1,410,869		$
Office of Public Affairs, salaries and expenses	55,257		55,257		
Subtotal, Office of Secretary of Defense	1,466,126		1,466,126		
Interservice activities:					
Claims	1,136,437		1,136,437		
Contingencies	13,000,000		13,000,000		
Emergency fund					
Reserve tools and facilities		$100,000,000	100,000,000		
Retired pay	8,359,306		8,359,306		5
Court of Military Appeals, salaries and expenses	34,898		34,898		
Access roads	4,322,026		4,322,026		
Loran stations	200,000		200,000		
Miscellaneous accounts	125,710,945		125,710,945		
Subtotal, interservice activities	152,763,612	100,000,000	252,763,612		6
Department of the Army:					
Military personnel	364,482,000		364,482,000		3,5
Maintenance and operation	645,000,000		645,000,000	$29,409,519	3,1
Military construction, reserve	22,968,063	32,266,363	55,234,426		
Reserve personnel	37,703,524		37,708,524		2
Army National Guard	61,504,136		61,504,136		3
Research and development	328,772,609	30,149,891	358,922,500		4
National Board for Promotion of Rifle Practice	75,143		75,143		
Alaska Communication System:					
Maintenance and operation	2,999,660	50,000	3,049,660		
Construction	63,287	1,289,255	1,352,542		
Military construction	362,762,543	351,228,102	713,990,645		
Preparation for sale or salvage, military property	3,409,529		3,409,529		
Procurement and production	2,953,187,134	2,176,191,797	5,129,378,931	592,977,182	
Army Industrial fund	−177,819,387	501,147,686	323,328,299		
Army Management fund	−73,178,027	1,000,000	−72,178,027		
Army stock fund	254,513,358	603,562,645	858,076,003	39,872,005	
Advances and reimbursements	4,437,135	8,278,619	12,715,754		
Subtotal, Army	4,790,885,677	3,705,164,388	8,496,050,065	662,258,706	7,7
Department of the Navy:					
Military personnel	69,734,123		69,734,123		2,4
Reserve personnel	25,800,000		26,800,000		
Navy personnel, general expenses	11,032,534		11,032,534	3,391,100	
Military personnel, Marine Corps	42,000,000		42,000,000		6
Reserve personnel, Marine Corps	9,917,000		9,917,000		
Marine Corps procurement	551,650,538	194,308,230	745,958,768	16,247,905	1
Marine Corps, troops and facilities	69,630,660		69,630,660	2,818,274	1
Aircraft and related procurement	3,430,270,986	2,184,447,296	5,614,718,282	116,866,663	1,7
Aircraft and facilities	309,406,847		309,406,847	900,000	8
Shipbuilding and conversion	1,526,254,531	1,020,781,390	2,547,035,921	17,305,012	1,4
Ships and facilities	330,945,085		330,945,085	12,786,183	7
Construction of ships	62,796,312	18,801,941	81,598,253		
Liquidation contract authorization		18,428,000	18,428,000		
Procurement, ordnance, and ammunition	412,411,712	45,328,438	457,740,150	25,752,106	2
Ordnance and facilities	52,140,779		52,140,779	1,648,056	1
Ordnance for new construction, liquidation contract authorization	12,523,881	27,783,906	40,307,787		
Medical care	7,700,000		7,700,000		
Civil engineering	22,537,529		22,537,529	254,907	1
Military construction, reserve forces	19,923,725	28,758,123	48,681,848		
Research and development	296,725,883	30,067,645	326,793,528		4
Servicewide supply and finance	34,010,049		34,010,049	55,158	2
Servicewide operations	17,678,391		17,678,391		1
Naval petroleum reserves	2,462,033		2,462,033		
Military construction	354,975,682	201,509,110	556,484,792		
Naval emergency fund		1,707,517	1,707,517		
Preparation for sale or salvage, military property	1,484,699		1,484,699		
Ships stores profits	400,472	2,038,788	2,439,260		
Laundry service, Naval Academy	12,950	105,102	118,052		
Funds applied to operations					
Funds provided by operations					
Net effect on budget					
Marine Corps stock fund	18,841,810	60,755,320	79,597,130		
Naval working fund	20,358,803	10,000,000	30,358,803		
Navy industrial fund	−530,855,892	845,640,627	314,784,735		
Navy management fund	96,245,007	66,319,438	162,564,445		
Navy stock fund	102,559,751	320,451,874	423,011,625	699,603	
Total, Navy	7,382,575,880	5,077,232,745	12,459,808,625	198,724,967	10,0
Deduct receipts of public enterprise funds					
Subtotal, Navy	7,382,575,880	5,077,232,745	12,459,808,625	198,724,967	10,0
Department of the Air Force:					
Aircraft and related procurement	9,011,497,105	2,944,559,814	11,956,056,919	1,636,440,186	5,8
Procurement other than aircraft	1,839,061,171	2,110,569	1,841,171,740	502,889,431	1,1
Research and development	498,075,640	58,127,686	556,203,326		6
Operation and maintenance	1,408,161,170		1,408,161,170	105,135,520	3,7
Military personnel	203,950,000		203,950,000		3,7
Reserve personnel	7,718,380		7,718,380		
Air National Guard	54,355,247		54,355,247		2
Military construction	1,082,080,073	367,000,000	1,449,080,073		
Contingencies	1,322,138		1,322,138		
Preparation for sale or salvage, military property	1,877,047		1,877,047		
Air Force industrial fund	355,752	5,491,262	5,845,014		
Air Force management fund	28,702,522	1,000,000	29,702,522		
Air Force stock fund	75,404,868	260,465,870	335,870,738		
Subtotal, Air Force	14,212,559,113	3,638,755,201	17,851,314,314	2,244,465,137	15,4
Proposed for later transmission: New legislation					1,1
Total, Department of Defense	26,540,250,408	12,521,152,334	39,061,402,742	3,105,448,810	34,9
Deduct receipts of public enterprise funds					
Grand total, Department of Defense	26,540,250,408	12,521,152,334	39,061,402,742	3,105,448,810	34,9

[1] Exclusive of funds to be reserved from 1957 foreign aid appropriations yet to be enacted.

[2] Includes expenditure effect of revolving and management funds.

[3] 1957 Budget document proposes transfer to Air Force Industrial Fund of unobligated balances of $110 million from Army Industrial Fund and $40 million from Navy Industrial Fund.

[4] Exclusive of $322 million in balances no longer av
448,810 balances in foreign aid fund reservations avai
ments from prior authorizations.

lances, United States military departments, fiscal year 1957

	New direct authority, including appropriations, fiscal year 1957	Total [1]	Expenditures under all authority				Unexpended balances in direct authority and transfers from foreign aid (start of fiscal year 1958)
			Out of prior year authorizations [2]	Out of foreign aid transfers (referred to in budget as "reimbursements earned")	Out of current year direct authorizations	Total [1]	
	$14,500,000	$15,910,869	$1,000,000		$13,000,000	$14,000,000	$1,910,869
	450,000	505,257	54,000		396,000	450,000	55,257
	14,950,000	16,416,126	1,054,000		13,396,000	14,450,000	1,966,126
	12,000,000	13,136,437	1,100,000		10,900,000	12,000,000	1,136,437
	35,000,000	48,000,000	10,000,000		20,000,000	30,000,000	17,500,000
	35,000,000	35,000,000					35,000,000
		100,000,000	10,000,000			10,000,000	90,000,000
	525,000,000	533,359,306	5,790,000		514,400,000	520,190,000	13,169,306
	375,000	409,898	30,000		330,000	360,000	49,898
		4,322,026	3,000,000			3,000,000	1,322,026
		200,000	200,000			200,000	
		125,710,945	74,800,000			74,800,000	50,910,945
	607,375,000	860,138,612	104,920,000		545,630,000	650,550,000	209,088,612
	3,561,000,000	3,925,482,000	300,000,000		3,200,000,000	3,500,000,000	369,000,000
19	3,161,000,000	3,835,409,519	529,540,000	$20,000,000	2,500,000,000	3,049,540,000	719,409,519
	40,000,000	95,234,426	30,000,000		6,000,000	36,000,000	59,234,426
	223,000,000	290,708,524	18,000,000		182,000,000	200,000,000	60,408,524
	306,000,000	367,504,136	50,000,000		245,000,000	295,000,000	71,568,000
	410,000,000	768,922,500	215,000,000		155,000,000	370,000,000	398,922,500
	425,000	500,143	60,000		340,000	400,000	100,143
	5,000,000	8,049,660	2,450,000		4,050,000	6,500,000	1,093,290
		1,352,542	60,000			60,000	1,292,542
		713,990,645	380,000,000			380,000,000	333,990,645
	25,000,000	28,409,529	2,200,000		20,200,000	22,400,000	5,600,000
82		5,722,356,113	1,300,000,000	355,000,000		1,655,000,000	4,067,356,113
		323,328,299	−9,000,000			−9,000,000	[3]222,328,299
		−72,178,027	−72,000,000			−72,000,000	178,027
05		897,948,008	−480,000,000	25,000,000		−455,000,000	1,352,948,008
		12,715,754	3,100,000			3,100,000	9,615,754
06	7,731,425,000	16,822,733,771	2,269,410,000	400,000,000	6,312,590,000	8,982,000,000	7,672,689,736
	2,469,400,000	2,539,134,123	30,000,000		2,390,000,000	2,420,000,000	119,134,123
00	95,000,000	121,800,000	17,600,000		72,400,000	90,000,000	31,800,000
	83,580,000	98,003,634	7,000,000	1,000,000	73,000,000	81,000,000	17,003,634
	647,500,000	669,500,000	28,000,000		587,000,000	615,000,000	61,500,000
	26,800,000	36,717,000	4,000,000		16,000,000	20,000,000	16,617,000
05	179,000,000	941,206,673	280,000,000	5,000,000	20,000,000	305,000,000	636,206,673
74	175,823,000	248,268,934	35,000,000	1,000,000	120,000,000	156,000,000	92,123,697
63	1,737,900,000	7,469,484,945	1,675,000,000	18,000,000	125,000,000	1,818,000,000	5,651,484,945
00	813,400,000	1,123,706,847	210,000,000	900,000	550,000,000	760,900,000	344,400,000
12	1,429,000,000	3,993,340,933	920,000,000	6,210,000	90,000,000	1,016,210,000	2,977,130,933
83	780,040,000	1,123,771,268	220,000,000	7,000,000	500,000,000	727,000,000	382,409,862
		81,598,253	32,000,000			32,000,000	45,796,312
		18,428,000					
06	299,000,000	782,492,256	173,520,000	20,000,000	32,480,000	226,000,000	556,492,256
56	166,680,000	220,468,835	44,330,000	1,300,000	121,070,000	166,700,000	53,768,835
		40,307,787	8,000,000			8,000,000	9,523,881
	61,340,000	69,040,000	5,200,000		54,800,000	60,000,000	9,040,000
07	130,100,000	152,892,436	20,000,000	200,000	100,000,000	120,200,000	32,492,436
	17,000,000	65,681,848	21,000,000			21,000,000	44,681,848
	477,000,000	803,793,528	220,000,000		230,000,000	450,000,000	353,793,528
58	239,720,000	323,785,207	30,000,000	55,158	260,000,000	290,055,158	33,730,049
	102,508,000	120,186,391	11,000,000		84,000,000	95,000,000	24,839,391
	1,212,000	3,674,033	2,160,000		340,000	2,500,000	1,174,033
		556,484,792	330,000,000			330,000,000	226,484,792
		1,707,517					
	16,500,000	17,984,699	1,000,000		12,500,000	13,500,000	4,484,699
	7,300,000	9,739,260	2,400,000		5,200,000	7,600,000	2,139,260
		118,052					118,052
			485,100			485,100	
			485,100			485,100	
		79,597,130	−15,000,000			−15,000,000	94,597,130
		30,358,803	5,000,000			5,000,000	25,358,803
		314,784,735					[3]274,784,735
		162,564,445	4,000,000			4,000,000	158,564,445
03		423,711,228	−200,000,000	334,842		−199,665,158	623,376,386
67	10,005,800,000	22,664,333,592	4,121,695,100	61,000,000	5,443,790,000	9,626,485,100	12,905,051,838
			485,100			485,100	
67	10,005,800,000	22,664,333,592	4,121,210,000	61,000,000	5,443,790,000	9,626,000,000	12,905,051,838
86	5,800,000,000	19,392,497,105	5,692,000,000	304,300,000	415,000,000	6,411,300,000	12,981,197,105
31	1,177,000,000	3,521,061,171	960,000,000	338,200,000	40,000,000	1,338,200,000	2,182,861,171
	610,000,000	1,166,203,326	350,000,000		260,000,000	610,000,000	556,203,326
20	3,786,000,000	5,299,296,690	990,000,000	82,500,000	2,810,000,000	3,882,500,000	1,316,728,222
	3,727,000,000	3,930,950,000	175,000,000		3,525,000,000	3,700,000,000	228,650,000
	59,300,000	67,018,380	7,655,000		50,345,000	58,000,000	9,018,380
	258,700,000	313,055,247	48,600,000		161,400,000	210,000,000	102,991,000
		1,449,080,073	1,050,000,000			1,050,000,000	399,080,073
		1,322,138	1,000,000			1,000,000	
	12,000,000	13,877,047	1,527,000		7,473,000	9,000,000	4,827,000
		5,845,014	−18,000			−18,000	[3]155,863,014
		29,702,522	15,018,000			15,018,000	14,684,522
		335,870,738	−25,000,000			−25,000,000	360,870,738
37	15,430,000,000	35,625,779,451	9,265,782,000	725,000,000	7,269,218,000	17,260,000,000	18,312,974,551
	1,117,450,000	1,117,450,000			200,000,000	200,000,000	917,450,000
10	34,907,000,000	77,073,851,552	15,762,861,100	1,186,000,000	19,784,624,000	36,733,485,100	40,019,220,863
			485,100			485,100	
10	34,907,000,000	77,073,851,552	15,762,376,000	1,186,000,000	19,784,624,000	36,733,000,000	[4]40,019,220,863

no longer available. Includes $1,919,- vations available to military depart-

Source: Budget document for fiscal year 1957, pp. 504–604, tables showing "Program and financing," "Budget authorizations, expenditures, and balances," "Statement of source and application of funds," and "Statement of financial condition," by military appropriation accounts.

UNIVERSITY OF MICHIGAN LIBRARIES

TABLE IV.—*Unobligated balances in funds available to United States military departments, fiscal year 1957*

TABLE IV.—*Unobligated balances in funds available to United States military departments, fiscal year 1957*

Departments and appropriation accounts	Obligational authority, including appropriations, available in fiscal year 1957				Obligations estimated for fiscal year 1957	Unobligated balance in available authorizations, beginning of fiscal year 1958
	Unobligated balance from prior year authorizations	New obligational authority	Balance of foreign aid authorizations available in reservations	Total [1]		
Office of the Secretary of Defense:						
Salaries and expenses		$14,500,000		$14,500,000	$14,500,000	
Office of Public Affairs, salary and expenses		450,000		450,000	450,000	
Subtotal, Office of the Secretary of Defense		14,950,000		14,950,000	14,950,000	
Interservice activities:						
Claims		12,000,000		12,000,000	12,000,000	
Contingencies		35,000,000		35,000,000	35,000,000	
Emergency fund		35,000,000		35,000,000	35,000,000	
Reserve tools and facilities	$100,000,000			100,000,000	100,000,000	
Retired pay		525,000,000		525,000,000	525,000,000	
Court of Military Appeals, salaries and expenses		375,000		375,000	375,000	
Subtotal, interservice activities	100,000,000	607,375,000		707,375,000	707,375,000	
Department of the Army:						
Military personnel		3,561,000,000		3,561,000,000	3,561,000,000	
Maintenance and operation		3,161,000,000	$29,409,519	3,190,409,519	3,181,000,000	$9,409,519
Military construction, Army Reserve Forces	32,266,393	40,000,000		72,266,393	45,000,000	27,266,393
Reserve personnel		223,000,000		223,000,000	223,000,000	
Army National Guard		306,000,000		306,000,000	306,000,000	
Research and development	30,149,891	410,000,000		440,149,891	410,000,000	30,149,891
National Board for promotion of rifle practice		425,000		425,000	425,000	
Alaska Communication System:						
Maintenance and operation	50,000	5,000,000		5,050,000	5,000,000	
Construction	1,289,255			1,289,255		1,289,255
Military construction, Army	351,228,102			351,228,102	328,000,000	23,228,102
Preparation for sale or salvage of military property		25,000,000		25,000,000	25,000,000	
Procurement and production	2,176,191,797		592,977,182	2,769,168,979	1,665,000,000	1,104,168,979
Army industrial fund	501,147,686	[3] (414,780,507)		501,147,686	[3] (405,780,507)	[4] 371,564,734
Army management fund	1,000,000	[3] (207,000,000)		1,000,000	[3] (135,000,000)	1,000,000
Army stock fund	603,562,645	[3] (2,133,541,264)	39,872,005	643,434,650	[3] (1,653,541,264)	1,033,434,650
Advances and reimbursements	8,278,619	[2] (10,400,000)		8,278,619	[3] (13,500,000)	7,278,619
Subtotal, Department of the Army	3,705,164,388	7,731,425,000	662,258,706	12,098,848,094	9,749,425,000	2,606,790,142

See footnotes at end of table, p. 9.

UNIVERSITY OF MICHIGAN LIBRARIES

TABLE IV.—*Unobligated balances in funds available to United States military departments, fiscal year 1957*—Continued

Departments and appropriation accounts	Obligational authority, including appropriations, available in fiscal year 1957				Obligations estimated for fiscal year 1957	Unobligated balance in available authorizations, beginning of fiscal year 1958
	Unobligated balance from prior year authorizations	New obligational authority	Balance of foreign aid authorizations available in reservations	Total [1]		
Department of the Navy:						
Military personnel, Navy		$2,469,400,000		$2,469,400,000	$2,469,400,000	
Reserve personnel, Navy		95,000,000		95,000,000	95,000,000	
Navy personnel, general expenses		83,580,000	$3,391,100	86,971,100	84,580,000	$2,391,100
Military personnel, Marine Corps		647,500,000		647,500,000	647,500,000	
Reserve personnel, Marine Corps		26,800,000		26,800,000	26,800,000	
Marine Corps procurement	$194,308,230	179,000,000	16,247,905	389,556,135	218,000,000	171,556,135
Marine Corps troops and facilities		175,820,000	2,818,274	178,638,274	176,820,000	1,818,274
Aircraft and related procurement	2,184,447,296	1,737,900,000	116,866,663	4,039,213,959	1,985,847,000	2,053,366,959
Aircraft and facilities		813,400,000	900,000	814,300,000	814,300,000	
Shipbuilding and conversion	1,020,781,390	1,429,000,000	17,305,012	2,467,086,402	1,260,000,000	1,207,086,402
Ships and facilities		780,040,000	12,786,183	792,826,183	787,040,000	5,786,183
Construction of ships	18,801,941			18,801,941	15,000,000	
Liquidation of contract authorization	18,428,000			18,428,000		
Procurement of ordnance and ammunition	45,328,438	299,000,000	25,752,106	370,080,544	300,000,000	70,080,544
Ordnance and facilities		166,680,000	1,648,056	168,328,056	167,980,000	348,056
Ordnance for new construction, liquidation of contract authorization	27,783,906			27,783,906	5,000,000	
Medical care		61,340,000		61,340,000	61,340,000	
Civil engineering		130,100,000	254,907	130,354,907	130,100,000	54,907
Military construction, Naval Reserve Forces	28,758,123	17,000,000		45,758,123	25,000,000	20,758,123
Research and development	30,067,645	477,000,000		507,067,645	470,000,000	37,067,645
Service-wide supply and finance		289,720,000	55,158	289,775,158	289,775,158	
Servicewide operations		102,508,000		102,508,000	102,508,000	
Naval Petroleum Reserves		1,212,000		1,212,000	1,212,000	
Military construction	201,509,110			201,509,110	150,000,000	51,509,110
Naval emergency fund	1,707,517			1,707,517		
Preparation for sale or salvage of military property		16,500,000		16,500,000	16,500,000	
Ships' stores profits	2,038,788	7,300,000		9,338,788	7,300,000	2,038,788
Laundry service, Naval Academy	105,102	[2](485,100)		105,102	[2](485,100)	105,102
Marine Corps stock fund	60,755,320	[2](66,500,000)		60,755,320	[2](51,500,000)	79,355,320
Naval working fund	10,000,000	[2](22,034,000)		10,000,000	[2](27,034,000)	10,000,000
Navy industrial fund	845,640,627	[2](1,238,349,755)		845,640,627	[2](1,238,349,755)	804,596,236
Navy management fund	66,319,438	[2](244,866,000)		66,319,438	[2](248,866,000)	55,625,438
Navy stock fund	320,451,874	[2](1,079,800,000)	699,603	321,151,477	[2](879,800,000)	477,616,635
Subtotal, Department of the Navy	5,077,232,745	10,005,800,000	198,724,967	15,281,757,712	10,307,002,158	5,051,160,957

Department of the Air Force:						
Aircraft and related procurement	2,944,559,814	5,800,000,000	1,636,440,186	10,381,000,000	[4] 6,244,028,000	4,101,000,000
Procurement other than aircraft	2,110,569	1,177,000,000	502,889,431	1,682,000,000	[5] 1,282,972,000	435,000,000
Research and development	58,127,686	610,000,000		668,127,686	610,000,000	58,127,686
Operation and maintenance		3,786,000,000		3,786,000,000	3,786,000,000	
Military personnel		3,727,000,000		3,727,000,000	3,727,000,000	
Reserve personnel		59,300,000		59,300,000	59,300,000	
Air National Guard		258,700,000		258,700,000	258,700,000	
Military construction	367,000,000			367,000,000	367,000,000	
Preparation for sale or salvage of military property		12,000,000		12,000,000	12,000,000	
Air Force industrial fund	5,491,262	[2](13,120,000)		5,491,262	[3](13,102,000)	[6] 155,470,262
Air Force management fund	1,000,000	[2](59,332,000)		1,000,000	[3](74,350,000)	1,000,000
Air Force stock fund	260,465,870	[2](1,279,000,000)		260,465,870	[3](1,254,000,000)	297,365,870
Subtotal, Department of the Air Force	3,638,755,201	15,430,000,000	2,139,329,617	21,208,084,818	16,347,000,000	5,047,963,818
Proposed for later transmission: Public Works and benefits		1,117,450,000		1,117,450,000	1,117,450,000	
Total, Department of Defense	12,521,152,334	34,907,000,000	3,000,313,200	50,428,465,624	38,243,202,158	12,707,914,917

[1] Exclusive of funds to be reserved from 1957 foreign aid appropriations yet to be enacted.
[2] Transactions within this account are shown, for informational purposes, by funds provided figure in lieu of new obligational authority; not included in total.
[3] Transactions within this account are shown, for informational purposes, by funds applied figure in lieu of obligations; not included in total.
[4] Excludes $35,972,000 transferred to Air Force account "Procurement other than aircraft."
[5] Includes $35,972,000 transferred from Air Force account "Aircraft and related procurement."
[6] 1957 budget document proposes transfer to Air Force Industrial Fund of unobligated balances of $110 million from the Army Industrial Fund and $40 million from the Navy Industrial Fund.

Source: Budget document for fiscal year 1957, pp. 504–604; tables showing "Program and financing," "Obligations by objects," "Budget authorizations, expenditures and balances," "Statement of source and application of funds," and "Statement of financial condition," by military appropriation accounts.

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UNIVERSITY OF MICHIGAN LIBRARIES

Calendar No. 1854

84TH CONGRESS, 2d Session | SENATE | REPORT No. 1831

DUTY-FREE ENTRY OF ARTICLES FOR EXHIBITION AT 11TH ANNUAL INSTRUMENT-AUTOMATION (INTERNATIONAL) CONFERENCE AND EXHIBIT, NEW YORK, N. Y., AND THE AMERICAS' NEW FRONTIERS EXPOSITION, OKLAHOMA CITY, OKLA.

APRIL 24, 1956.—Ordered to be printed

Mr. KERR, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 7678]

The Committee on Finance, to whom was referred the bill (H. R. 7678) to permit articles imported from foreign countries for the purpose of exhibition at the 11th Annual Instrument-Automation Conference and Exhibit, New York, N. Y., to be admitted without payment of tariff duties, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS

H R. 7678 is amended to add a new section which would provide for the similar free entry of any article imported for the purpose of exhibition at the "Americas' New Frontiers Exposition" to be held in connection with the celebration of the 50th anniversary of the admission of the State of Oklahoma into the Union, at Oklahoma City, Okla., from May 1, 1956, to January 1, 1958, inclusive.

The title is amended to read as follows:

> An Act to permit articles imported from foreign countries for the purpose of exhibition at the Eleventh Annual Instrument-Automation (International) Conference and Exhibit, New York, New York, and the Americas' New Frontiers Exposition, to be held at Oklahoma City, Oklahoma, to be admitted without payment of tariff, and for other purposes.

The amendments carry the same safeguarding regulations, administered under the direction of the Secretary of the Treasury, as apply to the original bill.

GENERAL STATEMENT

The bill H. R. 7678 and the amendments added to it by the Finance Committee follow the pattern of previous legislation enacted by Congress in connection with various other exhibitions, expositions, and trade fairs held in the United States. It has been the policy of Congress to promote the participation of foreign countries in the international expositions and trade fairs held in the United States and to facilitate the entry of articles intended for display at those exhibitions.

The bill would permit the free entry of articles imported for exhibition at the 11th Annual Instrument-Automation (International) Conference and Exhibit, to be held at New York, N. Y., in September of 1956. The amendment added to the bill would permit similar free entry of articles to be displayed at the Americas' New Frontiers Exposition to be held at Oklahoma City, Okla., during the latter half of 1956 and in 1957.

The free entry of goods for these purposes is safeguarded by regulations prescribed by the Secretary of the Treasury and any article exhibited is subject to payment of full duty if at any time it enters into the commerce of the United States.

The Department of Commerce has urged the passage of this and similar bills and the Department of the Treasury has indicated that no unusual administrative difficulties are anticipated.

The Finance Committee urges the enactment of H. R. 7678 with its accompanying amendments and has been notified that the Ways and Means Committee of the House will accept the amendments as attached to the bill.

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UNIVERSITY OF MICHIGAN LIBRARIES

Calendar No. 1855

84TH CONGRESS, 2d Session | SENATE | REPORT No. 1832

NATIONAL MENTAL HEALTH WEEK

APRIL 24, 1956.—Ordered to be printed

Mr. HILL, from the Committee on Labor and Public Welfare, submitted the following

REPORT

[To accompany S. Con. Res. 73]

The Committee on Labor and Public Welfare, to whom was referred the resolution (S. Con. Res. 73) calling upon the Congress to request the people of the United States to join and cooperate in the fight for the prevention, treatment, and cure of mental illness and to observe National Mental Health Week with appropriate ceremonies and activities, having considered the same, report favorably thereon without amendment and recommend that the resolution do pass.

I. EXPLANATION

Senate Concurrent Resolution 73 affords the Congress the means of calling to the attention of the American people the importance, to the Nation and to each of us as individuals, of cooperating in the fight to find effective ways to prevent, to treat, and to cure mental illness. The committee believes that the work being done in this field by the National Association for Mental Health and by State and local mental health organizations is of great value and warrants all-out support. It is appropriate that we urge that that support make itself apparent during the week beginning April 29, which has been designated as National Mental Health Week. It is our hope that such support will be continued until such time as the now-awesome incidence and duration of mental illness be reduced to an absolute minimum.

The Congress has lent its sanction to this undertaking in the past. Your committee believes the Congress will be eager to do so again.

II. CHANGES IN EXISTING LAW

Since the concurrent resolution merely expresses the sense of the Congress and calls upon the people to voluntarily join us in promoting the objectives of National Mental Health Week, it involves no

changes in existing law and consequently there is no need for compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate.

III

Senate Concurrent Resolution 73, which was sponsored by 62 Members of the Senate, reads as follows:

> Whereas there is presently a great need for nationwide action for the prevention, treatment, and cure of mental illness; and
>
> Whereas the National Association for Mental Health and the State and local mental health organizations associated therewith are working diligently in the fight against mental illness; and
>
> Whereas the mental health fund is in dire need of public support in order to improve conditions in mental hospitals, provide more adequate treatment for the metally and emotionally ill, carry on research in the field of the prevention, treatment, and cure of mental illness, and promote mental health education; and
>
> Whereas it is understood that the week beginning April 29, 1956, and ending May 5, 1956, will be observed as National Mental Health Week: Now, therefore, be it
>
> *Resolved by the Senate (the House of Representatives concurring)*, That the Congress hereby requests the people of the United States to join and cooperate in the fight for the prevention, treatment, and cure of mental illness and to observe National Mental Health Week with appropriate ceremonies and activities.

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